

BUILT ON RESILIENCE DRIVEN BY CHANGE



CORPORATE INFORMATION

BOARD OF DIRECTORS

- Mr. Vinod Somani**
Non-Executive Chairman (Independent)
- Mr. Yogendra Pal Singh**
Independent Director
- Ms. Rashmi Fauzdar**
Independent Woman Director
- General Dalbir Singh Suhag (Retd.)**
Independent Director (Additional)

- Mr. Keshav Porwal**
Managing Director
- Mr. Subhash Chander Kalia**
Independent Director
- Ms. Jyuthika Mahendra Jivani**
Independent Woman Director

CHIEF EXECUTIVE OFFICER

Mr. Pinank Jayant Shah

CHIEF FINANCIAL OFFICER

Mr. Vikas Srivastava

CHIEF COMPLIANCE OFFICER & COMPANY SECRETARY

Mr. Sulabh Kaushal

SECRETARIAL AUDITORS

M/s Arun Gupta & Associates
Company Secretaries

Office 59, Ground Floor, Street No. 3,
Madan Park, East Punjabi Bagh,
New Delhi – 110026

STATUTORY AUDITORS

M/s Singhi & Co
Chartered Accountants

B2 402B Marathon Innova, Off Ganpatrao Kadam
Marg Opp. Peninsula Corporate Park,
Lower Parel, Mumbai – 400013

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Limited

Selenium Tower B, Plot Nos. 31 & 32,
Gachibowli, Financial District, Nanakramguda,
Hyderabad - 500032

INTERNAL AUDITORS

KKC & Associates LLP
Chartered Accountants

Level 19, Sunshine Tower,
Senapati Bapat Road, Elphinstone Road,
Mumbai – 400 013

CORPORATE OFFICE

Level – 20, Birla Aurora,
Dr. Annie Besant Road, Worli,
Mumbai – 400030

REGISTERED OFFICE

701, 7th Floor, Aggarwal Corporate Tower,
Plot No. 23, District Centre, Rajendra
Place, New Delhi – 110008

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Forward Looking Statement

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements are identified by forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” “will” or other similar words.

A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases usually vary from actual results and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

BUILT ON RESILIENCE, DRIVEN BY CHANGE

Resilience has been the cornerstone of Capital India Finance Limited (CIFL), since our inception. From navigating economic upheavals to adapting to regulatory changes, our commitment to stability and support for our clients has remained steadfast. Over the years, we have empowered countless MSMEs through accessible financing, helping them survive and thrive. Our robust technological infrastructure reflects this resilience, ensuring we are always prepared to face the unexpected and seize new opportunities.

Change has been the catalyst for our growth and evolution. We have consistently viewed change not as an obstacle but as a pathway to innovation. Investing in cutting-edge technology and data analytics has optimized our operations. These advancements have enabled us to deliver personalised solutions, streamline processes, and create seamless, secure experiences for our clients. Our commitment to corporate social responsibility has amplified our impact over the years. By integrating social responsibility into our core strategy, we have fostered inclusive growth and contributed to a brighter future for all. Our initiatives in these areas reflect our dedication to making a positive difference beyond financial success.

As we look back on our journey, we take pride in our adaptability and progress. Our resilience has fortified our foundation while embracing change has opened new horizons. Moving forward, we remain committed to pushing boundaries, exploring new possibilities, and delivering value to our stakeholders.

In this report, we invite you to explore the stories and successes that define **Capital India Finance Limited**. Together, let us celebrate our legacy of resilience and innovation, and look forward to a future filled with promise and potential.

ABOUT THE COMPANY

Deploying More Than Just Finance. Fuelling India's Future

CapitalIndiaFinanceLimited(CIFL)wasfoundedintheheart of India with a clear mission – to empower the country's micro, small and medium enterprises. Far more than a financial institution, CIFL stands as a partner in growth for businesses nationwide.

Our core belief is simple yet profound: every Indian entrepreneur deserves the chance to succeed. Our aim is not just to provide capital but to act as a catalyst for growth and prosperity. Recognising the unique needs of India's economy, we have developed tailored financial solutions for millions of businesses often overlooked by traditional lenders. Our asset-backed lending approach mitigates risks and offers more favourable financing terms, empowering our clients to expand, innovate, and thrive.

What sets us apart is our unwavering commitment to responsible lending practices. As a Non-Banking Financial Company, CIFL is guided by a seasoned team committed to upholding the highest standards of integrity and ethics. Our meticulous due diligence and technology-driven risk assessment processes ensure that each financial decision is backed by comprehensive analysis and foresight. We remain dedicated to sustainable business practices and strong corporate governance. We leverage our resources and expertise to create enduring value for all our stakeholders, ensuring a brighter, more prosperous future for India's entrepreneurial ecosystem.

At CIFL, we are not just financiers; we are partners in progress, committed to fuelling India's future with innovation, resilience, and unwavering integrity.

OUR PROMISE

Our commitment embodies the core values of our financial services institution. We steadfastly prioritise our fiduciary relationship with every customer, whether an individual, micro, small and medium businesses, or large institution, that relies on us for their financial needs.

Passion

Being passionate about helping our customers achieve their financial goals.

Relationship

Doing business with trust and transparency for long-standing fiduciary relationships.

Integrity

Being ethical, honest and fair with customers, partners, investors and employees.

Innovation

Staying ahead of the curve by leveraging new lending approaches, research, rigour and technology.

OUR STRATEGY

Our approach to creating sustainable value is deeply rooted in our commitment to ethical practices and responsible business conduct. We prioritise building enduring relationships with our customers, employees, and communities, focusing on long-term growth and positive societal impact. By integrating sustainability into every aspect of our operations, we aim to drive innovation, foster resilience, and contribute to a sustainable future for future generations.

Long-term partnerships

We focus on forging lasting partnerships by serving as a dedicated and engaged financing ally over the long haul. With an entrepreneurial approach, we collaborate with promoters and local enterprises, offering financing solutions that align with their goals and empower them to achieve strategic growth objectives.

Leveraging technology to achieve the best results

We are empowering individuals and businesses to achieve self-sufficiency and long-term growth through reliable financing and productivity-driven capital. This mission represents a significant stride towards exploring untapped market potential and promoting the 'Make in India' initiative. Capital India is energising the economy and establishing market leadership by unlocking synergy with V-I-T-A-L values.



Value

Our strategy involves offering loans that promote business growth and productivity across various sectors. By addressing last-mile credit needs and providing distinct services, we catalyse value for stakeholders and invigorate the nation's economic engine.



Innovation

The shift from wholesale lending to a more adaptable retail lending model showcases our innovative spirit amidst industry disruptions and evolving market dynamics, instilling confidence in all stakeholders.



Technology

Our ongoing investment and foundational work in a comprehensive technology stack demonstrate its future readiness and sustainable approach to value creation.



Acceleration

A measured expansion of our retail footprint and distribution channel reflects our approach to growth. By swiftly adapting to market trends, we are aligned to deliver future growth.



Leadership

Our mission to achieve market leadership is based on strong corporate governance and compliance with regulations. The committees, led by independent directors, promote ethics and open communication, building stakeholder trust.



FY24 HIGHLIGHTS

FINANCIAL HIGHLIGHTS

Total Revenue

INR 194.66 Cr

Net Worth

INR 606.54 Cr

AUM

INR 935.15 Cr

PAT

INR 20.10 Cr

EPS

INR 2.59

Market Capitalization

INR 1,026.09 Cr

OPERATIONAL HIGHLIGHTS

No. of active loans

24,347

No. of employees

573

No. of cities served

49

Disbursements

INR 497.25 Cr



CUSTOMER TESTIMONIALS



“

I operate an Auto Transportation service, delivering milk and other goods to nearby cities, I found myself in a challenging situation where I needed a loan for working capital as well as to close my personal loan. That's when I reached out to Capital India Finance Limited. From the moment I connected with them, their team was exceptional. They patiently guided me through every step, swiftly approved my loan, and ensured the funds were disbursed exactly when I needed them the most. I'm truly grateful to CIFL for their outstanding service and for making the entire process so seamless.”

Mr. Uppari Anil
Proprietor of M/s Anil Auto

“

We run a bakery business and wanted to expand into nearby cities, specifically opening a new shop in Ahmednagar. However, securing a loan from banks and NBFCs proved difficult. That's when we learned about Capital India Finance Limited. Their team was exceptionally supportive, guiding us seamlessly through the application process. Capital India Finance Limited believed in us when others didn't, providing the financial boost we needed and bolstering our confidence. Thanks to them, we're now expanding our business with peace of mind.”

Mr. Pramod Shivaji Magar
Proprietor of M/s Yash Bakers and Dairy



“

Both I and my son (Suraj Jagzap) run a business of selling vegetables and flowers, in the local market. We needed a loan support to expand our floriculture business. After facing hurdles with banks and NBFCs, we found Capital India Finance Limited through some business contacts. Contacting them was the best decision for us. They were excellent, guiding us through a quick and efficient loan process. They treated us with respect and kindness, ensuring we felt valued throughout the process. Thanks to Capital India Finance Limited, we got the timely help we needed.”

Mr. Ramesh Mukundrao Jagzap
Proprietor of M/s Suraj Vegetable and Flower Supplier

“

I operate a used car resale business and was seeking a loan for expansion. That's when I came across Capital India Finance Limited. I was amazed at how swiftly everything moved. With minimal documentation, my loan was approved and disbursed in no time. The support was exceptional, making the entire process seamless and stress-free. Capital India Finance Limited came through when I needed them the most, and I'm truly grateful for their assistance.”

Mr. Sunil Gupta
Proprietor of M/s Om Sai Motors



1994

The Company was incorporated as **Bhilwara Tex-Fin Limited**. Shortly after, we launched our public issue and successfully listed our equity shares on the BSE.

2017

We rebranded ourselves as **Capital India Finance Limited**.

That same year, Capital India Corp LLP acquired us from our former promoters in December, marking the beginning of our exciting journey in the financial market.

2018

June - We received an equity infusion of INR 2.5 Billion through the preferential route.

August - We proudly received an "A-" rating from ACUTE for our long-term borrowings programme.

2019

January - We secured an equity infusion of INR250 crore through a Rights Issue.

February - We received a Housing Finance Company license from the NHB for our subsidiary, Capital India Home Loans Limited.

September - We invested in RapiPay Fintech Pvt. Ltd., which holds a Prepaid Payment Issuer ('PPI') license from the RBI.

Our Assets Under Management (AUM) crossed the milestone of INR 500 Crore.

2020

September - We received an Authorised Dealer Category II (AD II) license from the RBI for Remitx.

2021

We implemented a strategic shift in our product mix, placing a stronger emphasis on MSME and retail loans.

October - We received MTSS authorization from the RBI for Remitx.

2023

March - Our Assets Under Management (AUM) crossed the milestone of INR 900 crore.

OUR RESILIENT JOURNEY

Since 2017, we have been committed to empowering MSMEs through customised lending solutions. By harnessing advanced technology, we streamline processes and enhance the customer experience, ensuring that our clients receive the support they need to thrive in today's dynamic market. Despite market fluctuations, we have consistently demonstrated agility and leadership, driving growth and fostering financial inclusion. Through strategic initiatives and a steadfast commitment to excellence, we continue to navigate challenges and seize opportunities, solidifying our position as a trusted partner for businesses across the nation.

SOLUTIONS FOR A BETTER WORLD

We operate across multiple business verticals, each tailored to meet the diverse financial needs of our clients. Our core focus areas include MSME finance, retail lending, housing finance, and fintech solutions. Through these verticals, we aim to provide comprehensive financial services that drive growth, empower individuals and businesses, and contribute to India's economic development.

CAPITAL INDIA FINANCE LIMITED

Overview

Capital India Finance Limited (CIFL) is a Systemically Important Non-Deposit-Taking NBFC (NBFC-ND-SI) specialising in tailored loan products for MSMEs. We believe India's burgeoning economy demands customized financing solutions for millions of micro, small and medium businesses, traders, and self-employed individuals who may lack access to traditional financial avenues.

Under the brand name Remitx, CIFL holds an Authorised Dealer Category-II License from the Reserve Bank of India (RBI) to carry out foreign exchange services and has also been granted authorisation to undertake inward cross border money transfer activities in India under the Money Transfer Service Scheme.

Remitx is an integrated foreign exchange service provider offering comprehensive forex solutions to various customer segments in India. Led by the industry's successful leaders, Remitx embodies the CIFL group's commitment to providing innovative financial services through advanced technology. Remitx focuses on delivering end-to-end B2C forex solutions, leveraging cutting-edge technology to meet its customers' diverse needs.

Key highlights of FY 2023-24

INR 497.25 Cr Disbursements	INR 935.15 Cr AUM	36.58% CRAR
INR 194.66 Cr Total Revenue	INR 20.10 Cr PAT	0.93 Leverage Ratio

Value Proposition

CIFL provides bespoke financial solutions to MSMEs, addressing their specific growth and working capital needs. In today's era, where various challenges exist, such as the extensive documentation requirement by traditional lenders, the time-consuming loan sanction process, and the hassle of dealing with the middlemen, CIFL steps in with a value proposition, addressing these challenges effectively:

Understanding Customer Needs

Our well-educated and trained Relationship Managers ensure that we understand our customers' needs thoroughly.

Minimal Disruption to Daily Customer Routine

Our customer-centric approach includes home visits and a paperless process to minimise disruption to our customers' daily routines.

Transparent Process

We offer a transparent process, providing digital access to loan documentation and easy prepayment options.

Personal Discussion & Visit by Inhouse Team

Our dedicated sales team carries personal discussion with the client to access the need and requirements.

Consistent Underwriting Process

We maintain a consistent underwriting process, resulting in lower turn around time for loan approvals.

OFFERINGS

Lending



MSME Secured

We offer convenient loans against collateral, ensuring a quick turnaround, attractive interest rates, and seamless disbursements to enhance the customer experience. The various product offering includes:

Loan Against Property ("LAP")

- **Micro LAP** – Loan against residential, commercial, industrial property and plots upto the exposure of INR 20 lakhs
- **Retail LAP** – Loan against property for business expansion, loan consolidation, working capital requirements, acquisition of asset/s, and renovation etc.
- **Commercial/Non-Residential Property purchase** – Loan for acquisition of commercial property for self-occupation/ leasing/ investment
- **Self-Construction of Commercial Property** – Loan for acquisition of land and construction of commercial property
- **Lease Rental Discounting** – LAP for encashing upon future rental receivables

Structured Finance

Structured financing solutions for acquisition, expansion, exit to Private Equity partners, buyout of partners stake & business diversification, etc.



MSME Unsecured

We offer loans for the working capital or growth capital requirements of MSMEs. Our digital loan processing ensures faster approvals and disbursements, facilitating smoother access to funds for our clients.

Remitx



Send Money Abroad

Remitx provides a comprehensive and seamless outward remittance process for sending money abroad. This includes remittance for education, medical treatments, business travel, visa fees, MICE, etc.



Foreign Currency Prepaid Card

Remitx offers multi-currency forex prepaid cards. These cards are conveniently accepted at millions of merchant establishments and ATMs for POS and cash withdrawals.



Inward Money Transfer

Remitx is one of the principal agents of Western Union. Foreign tourists visiting India can receive financial support from friends and family through Western Union's services during their stay.



Student Travel Insurance

Remitx provides travel insurance covering medical emergencies, flight cancellations, loss of baggage, theft, and more. A team of experts offers the best consultation in selecting the right policy customised to travellers' needs.



Foreign Currency Notes

Remitx offers services for buying and selling foreign currency bank notes. Trained and skilled staff can identify and provide genuine currency notes.



German Blocked Account

Remitx has collaborated with multiple partners to facilitate the opening of German Blocked accounts for Indian students and individuals residing in other non-European countries.



Foreign Currency Demand Draft

Remitx offers foreign currency demand drafts. The process for issuing demand drafts is hassle-free.

CAPITAL INDIA HOME LOANS LIMITED ('CIHL')

CIHL, established in March 2019, as a subsidiary of CIFL, is a modern housing finance company, dedicated to providing seamless home loan solutions in India's affordable housing sector. We cater to the emerging urban population in metro and tier 2 and tier 3 cities with semi-formal incomes, a segment often underserved by larger housing finance companies and banks. Leveraging cutting-edge technology, we simplify and expedite the loan process, ensuring transparency and efficiency for our customers. Our clientele includes both salaried and self-employed individuals, primarily first-time homebuyers with limited or no credit history and semi-formal income. Their primary requirement is obtaining home loans ranging from INR0.5 to 2.0 million, alongside the desire for access to formal housing finance while minimising disruptions to their

daily work routine. We have also developed an evolving operating model capable of effectively evaluating the income and repayment capability of non-salaried individuals. Our employee-driven appraisal systems and recovery processes ensure efficient loan management.

We employ a credit underwriting model, utilising data from field visits to residences and workplaces as well as personal interviews. Additionally, we have an in-house technical team to underwrite the values of collateral, conduct technical verifications for marketability, and ensure compliance with local bylaws. Our legal assessments ascertain the free, clear, and marketable titles of properties.

Offerings



Home Loans



Home Improvement Loans



Home Loans Balance Transfer



Loan Against Property NRI Home Loans



Pradhan Mantri Awas Yojana (PMAY)

Key highlights of FY 2023-24

INR 171.68 Cr

Disbursements

INR 451.30 Cr

AUM

56.25%

CRAR

INR 67.12 Cr

Total Revenue

INR 1.24 Cr

PAT

2.20

Leverage Ratio

RAPIPAY FINTECH PRIVATE LIMITED

('RAPIPAY')

Overview

RapiPay is a customer-centric fintech company dedicated to providing a wide range of financial services to the underbanked population across India, through its extensive network of Direct Business Outlets (DBO's) and an unassisted platform with the brand name "NYE". With this approach, RapiPay has emerged as one of the fastest-growing fintech players in the country, delivering Neo Banking services to the masses.

RapiPay boasts a pan-India retail agent network of DBOs, ensuring high penetration for tech products. Its transient customer base seeks a rich user experience and value-added offerings, typically being less price-sensitive but desiring superior customer service who avail them on NYE App and Web applications. Customers can avail most of these services instantly at the convenience of their home or on the go through NYE. RapiPay adds significant value to customers by providing them easy and instant access through self (NYE) and assisted (DBOs) channels. By leveraging its technological capabilities, RapiPay adds significant value by offering integrated services.

Traditionally, the underbanked prefer assisted modes of service, and banks often find it infrastructurally uneconomical to serve these customers due to high acquisition costs. With its expanding distribution network, RapiPay is strategically positioned to provide comprehensive Banking, Financial Services, and Insurance (BFSI) services through a single DBO outlet, effectively meeting the needs of this underserved segment.

RapiPay also provides payment solutions to Merchants through its POS and QR code offerings and offers business loans to its DBOs and Merchants through an assisted channel of sales network spread across India.

Offerings



Cash Withdrawal



Payments



Investments



Insurance



PPI Wallet with Rupay Prepaid Card and PPI UPI



Loans



Current Account Savings Account (CASA)

Key highlights of FY 2023-24

70 Million+

End Customers

INR 1 Million+

Daily Transaction Volume

2,50,000+

Direct Business Outlets

7

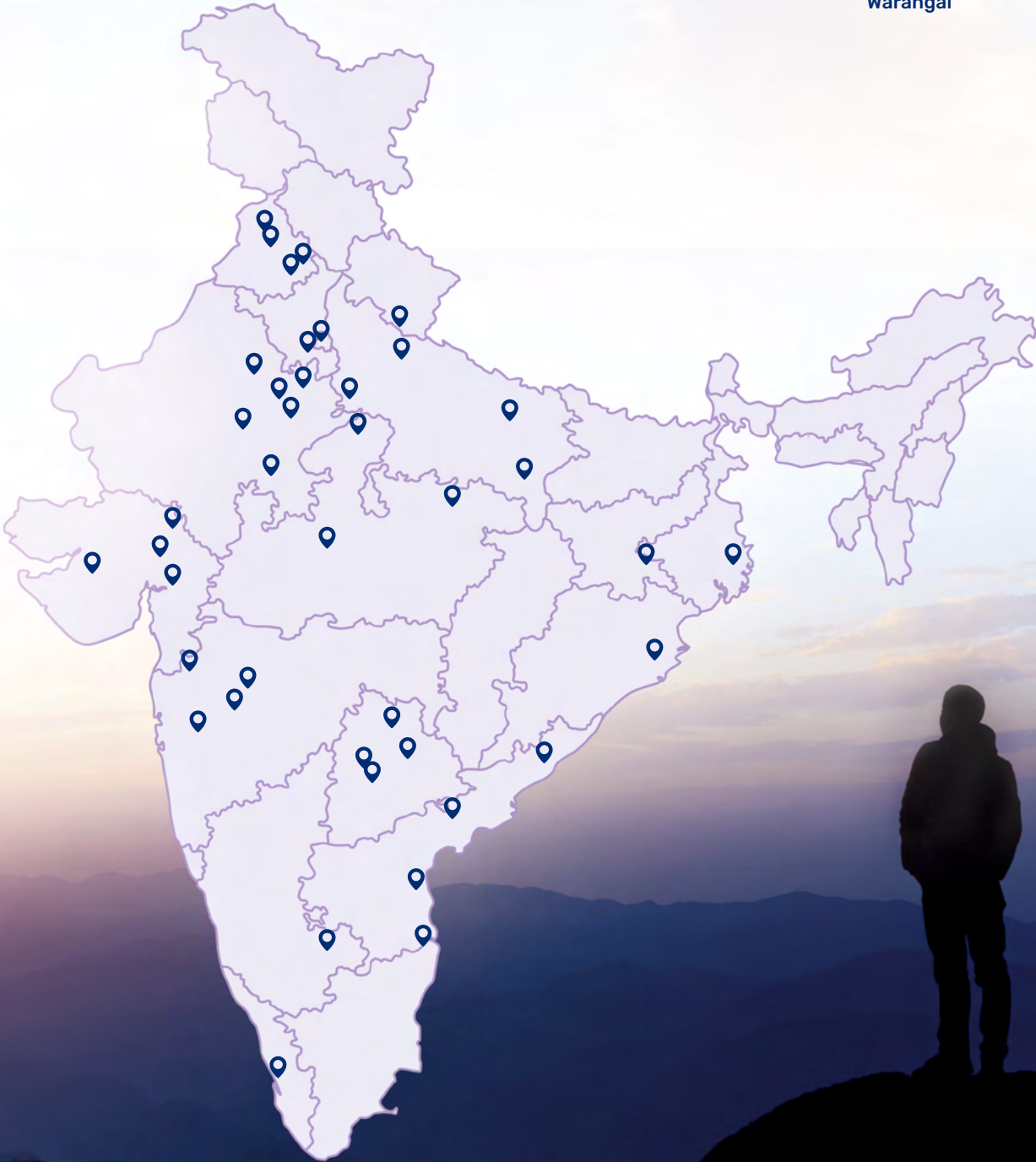
Offices across country

1,000+

Employees

CIFL's Presence

Agra	Bhopal	Gwalior	Kishangarh	Nadiad	Rudrapur
Ahmadnagar	Bhubaneshwar	Himmatnagar	Kolkata	Nagpur	Secundrabad
Ahmedabad	Chandigarh	Hyderabad	Kota	Nashik	Sikar
Ajmer	Chennai	Jaipur	Lucknow	Nasik	Tanda
Alwar	Chomu	Jalandhar	Ludhiana	Nellore	Vadodara
Aurangabad	Delhi	Jamshedpur	Mahabubnagar	Patiala	Varanasi
Bangalore	Ernakulam	Kapurthala	Mumbai	Pune	Vijayawada
Bareilly	Gurugram	Karimnagar	Nadala	Rajkot	Visakhapatnam
					Warangal



FROM THE CEO'S DESK

Dear Shareholders,

FY 2024 has been a year of consolidation and setting up a foundation for your company's future growth. This stepping stone is based on the theme of a strong governance framework, compliance culture and focus on people, product and processes. We are at an inflection point of our next phase of growth. We continue to build a platform to serve Micro, Small and Medium Business Enterprises (MSME) in India to scale their businesses and meet their working capital needs.

For FY 2023-24, your company had a total revenue of INR 194.66 Crores (19.11% y-o-y growth) resulting in an Earning Per Share of INR 2.59 and our net worth is INR 606.54 Crores as on 31st March, 2024.

Unlocking the potential of MSME financing

The expanding landscape for MSME financing presents an attractive opportunity, and your company is uniquely positioned to make the most of it by bridging the critical gap in the funding requirement of MSMEs in India. FY 2024 was a pivotal year for the company, marked by strategic consolidation across our business segments with a prime focus on MSME lending. In a dynamic financial landscape, characterised by economic uncertainties and regulatory changes, we prioritised stabilising our operations and building a strong foundation for future growth.

Our diversified portfolio is tailored to meet the various financial needs of MSMEs. We offer comprehensive solutions through our lending business. Whilst we continue to have multiple lines of businesses, we are focussed on building our MSME financing business to scale. Besides, lending business, Remitx – our forex remittance business, is re-inventing itself, offering cross-border remittances, multi-currency prepaid forex cards, foreign currency notes and other allied services.

Navigating Transition and Regulatory Changes

FY 2023-24 has been a year of transition and adaptation. We have managed significant leadership changes and navigated a more stringent regulatory environment. The tightening rules for NBFCs in view of harmonisation of regulation, necessitated an increased focus on compliance, which we embraced, to strengthen our operational framework. This period of transition has reinforced our commitment to regulatory adherence and operational excellence, paving the way for future growth.

Our endeavour has been to leverage technology for increasing efficiencies in our business processes leading to, improvement in productivity, tighter monitoring and controls and improvement in experience for all stakeholders.

Strengthening Customer Relationships and Workforce Empowerment

Our commitment to customer-centricity is fundamental. We have invested in enhancing our customer service capabilities to ensure our clients receive the support and guidance they need throughout their financial journey.

Our employees are the backbone of our company. Their dedication and expertise are crucial to our success. We are committed to fostering a work environment that promotes innovation and excellence, ensuring that our team remains engaged and empowered.

Upholding Governance and Building for the Future

We are dedicated to upholding the highest standards of corporate governance. With a Board, predominantly composed of independent directors, we ensure strong oversight and transparency in our operations. This governance framework is a cornerstone of our strategic direction and investors' confidence.

With a strong balance sheet and a proven track record of realigning our business towards a retail-focused model,

our company is well-prepared for the future. During FY 2024-25, our focus is to innovate, improve productivity and strengthen our market presence. We are confident that our solid foundation and clear strategic vision will enable us to navigate future challenges and deliver consistent, impactful results.

I would like to express my deepest gratitude to our esteemed shareholders, our dedicated employees, whose passion and commitment are crucial to our company's success, our Regulators for their proactive approach in strengthening the financial ecosystem in our country, our Board of Directors for their wisdom and guidance in shaping this institution and our supportive Lenders who have been invaluable partners in our growth journey.

With warm regards,

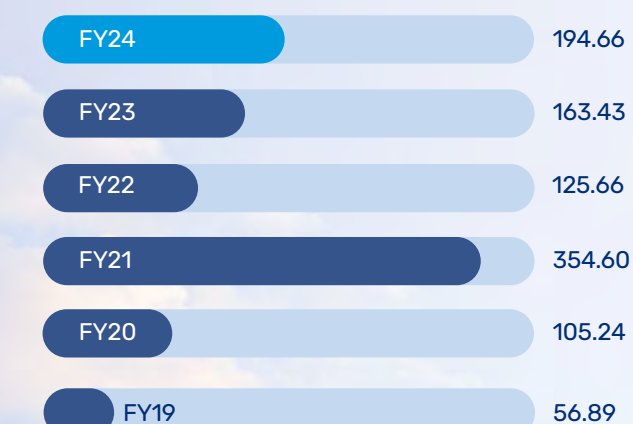
Pinank Jayant Shah

**Chief Executive Officer
Capital India Finance Limited**

KEY PERFORMANCE INDICATORS (KPI)

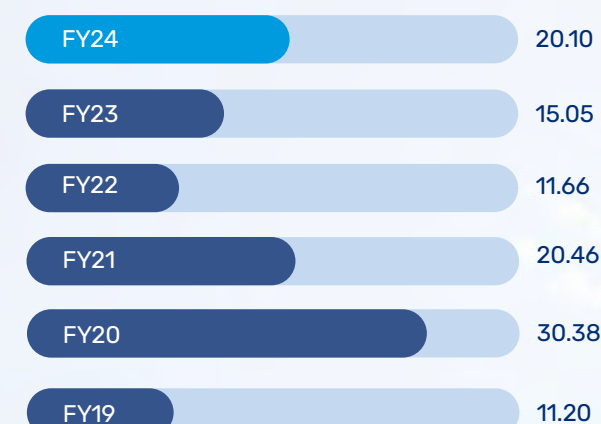
Total Revenue

(INR in Crore)



Profit After Tax

(INR in Crore)



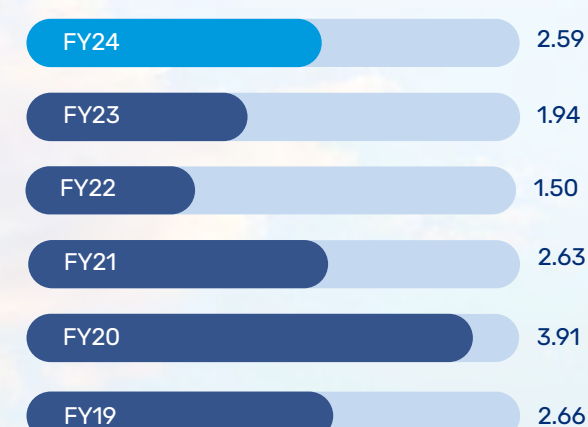
Assets Under Management

(INR in Crore)



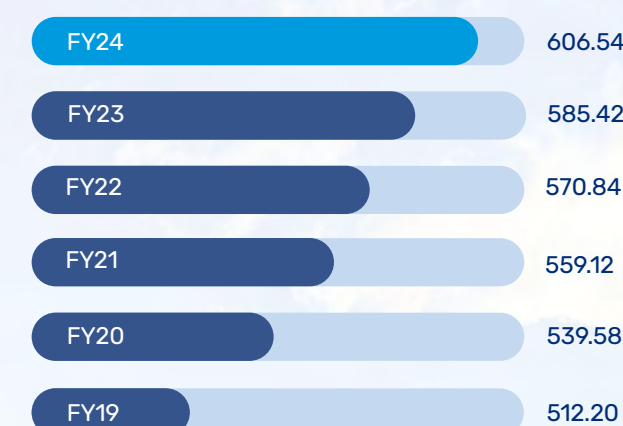
Earnings Per Share

(INR)



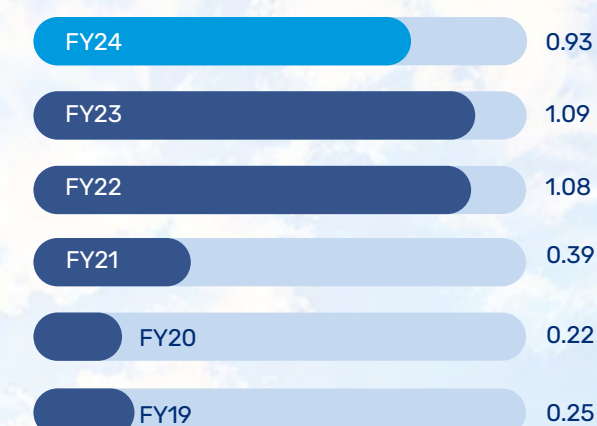
Net Worth

(INR in Crore)

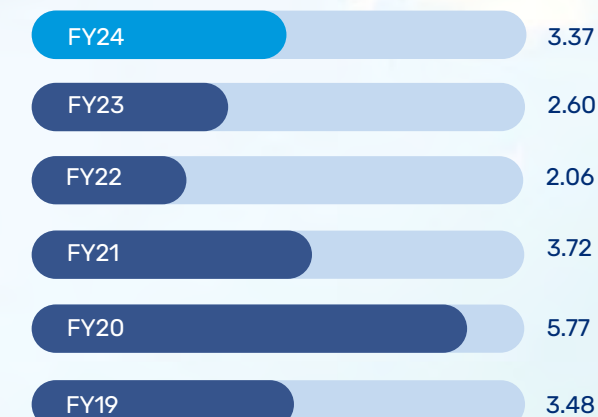


Debt Equity Ratio

(in Times)



Return on Equity



BOARD OF DIRECTORS



Mr. Vinod Somani

Non-Executive Chairman (Independent)

Mr. Vinod Somani is a distinguished fellow of the Institute of Chartered Accountants of India and has been a senior partner with M/s KG Somani & Co., Chartered Accountants since 1986. With extensive experience auditing the accounts of nationalised banks, insurance companies, and public sector enterprises, he possesses deep expertise in finance, the Companies Act, and tax laws. Given M/s KG Somani & Co.'s registration under SEBI Merchant Banker Category IV, Mr. Somani is well-versed in merchant banking activities. He has also contributed as a member of the MOU Task Force and the expert panel on the Memorandum of Understanding for Central Public Sector Enterprises.



Mr. Keshav Porwal

Managing Director

Mr. Keshav Porwal serves as the Managing Director of the company, shaping its overall growth strategy and guiding its evolution into a respected financial services institution. With nearly two decades of experience in finance and real estate, he has closed complex real estate transactions and PE investments with leading developers nationwide. His expertise spans all aspects of real estate financing, from risk management to new product launches, and he has played a crucial role in the restructuring and re-engineering of medium-sized enterprises in the auto and hospitality sectors. Mr. Porwal is a Chartered Accountant from the Institute of Chartered Accountants of India and holds a B.Sc. from Kanpur University, Uttar Pradesh.



Mr. Yogendra Pal Singh

Independent Director

Mr. Yogendra Pal Singh joined the Indian Police Service in 1981, holding various positions in executive policing, vigilance, police training, and armed police in Uttar Pradesh. He served with the Central Bureau of Investigation for nine years in the fields of Special Crime and Anti-Corruption, rising to DIG (Special Crime) and Joint Director (Mumbai and Delhi Anti-Corruption zone). Additionally, Mr. Singh served as General Manager and Head of Anti-Corruption at the International Cricket Council in Dubai from June 2011 to March 2017.



Mr. Subhash Chander Kalia

Independent Director

Mr. Subhash Chander Kalia brings over 38 years of experience in the public sector banking industry, both in India and overseas. He has held senior positions with major banks such as Union Bank of India, Vijaya Bank, and Bank of Baroda. Currently, he serves on the boards of PNC Infratech Limited, Bharat Wire Ropes Limited, and Share India Securities Limited. Mr. Kalia holds an M.A. in Political Science and is a Certified Associate of the Indian Institute of Bankers.



Ms. Rashmi Fauzdar

Independent Woman Director

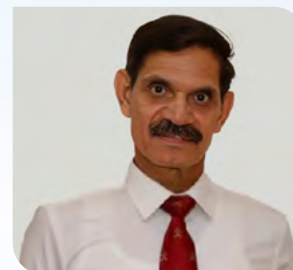
Ms. Rashmi Fauzdar has over three decades of experience in implementing and formulating banking policy and regulation, as well as foreign exchange and currency management in India. She served at the Reserve Bank of India for more than 32 years, holding positions such as Regional Director for Punjab, Haryana, and UT of Chandigarh, Banking Ombudsman for various regions, and Chief General Manager of the Foreign Exchange Department. Her extensive experience has made her a key figure in the banking industry.



Ms. Jyuthika Mahendra Jivani

Independent Woman Director

Ms. Jyuthika Mahendra Jivani had a remarkable 37-year career at the Reserve Bank of India, progressing from a direct recruit in Grade B to the position of Regional Director (Grade F) at Nagpur, where she retired in October 2017. She has worked in diverse departments, including banking, public debt operations, supervision of urban cooperative banks, planning and budget, government and bank accounts, external investments and operations, rural planning and credit, and the Secretary's Department. Her extensive experience and contributions have been invaluable to the RBI.



General Dalbir Singh Suhag (Retd.)

Independent Director (Additional)

General Dalbir Singh Suhag (Retd.) is the former Indian High Commissioner to Seychelles and served as the 25th Chief of the Army Staff (COAS) of the Indian Army from July 2014 to December 2016. With a distinguished military career spanning multiple leadership roles, he commanded key operations in Sri Lanka, Nagaland, and Kashmir, and led the 8 Mountain Division in Kargil along the Line of Control with Pakistan. He also served as the Inspector General of the Special Frontier Force and commanded the Eastern Army, overseeing critical operations in the North-Eastern states. General Suhag has been recognized with several prestigious honors, including the Param Vishisht Seva Medal, Uttam Yudh Seva Medal, Ati Vishisht Seva Medal, Vishisht Seva Medal, and the Legion of Merit by the President of the United States. His extensive military expertise and strategic insights are invaluable assets to CIFL.

LEADERSHIP TEAM



Mr. Pinank Jayant Shah

Chief Executive Officer

Pinank is a seasoned leader with over two decades of experience in financial services. He has a proven history of establishing businesses and guiding cross functional teams. Before joining Capital India, Pinank created a technology driven lending franchise at Dhani, catering to a large customer base. Pinank excels in fund raising through debt and equity channels, managing key stakeholder relationships, both external and internal and setting up tech enabled risk management framework



Mr. V P Ravindran Menon

Chief Executive Officer – Remitx

As the Chief Executive Officer of Remitx, Ravindran is responsible for building the foreign exchange arm of the business. A veteran in the forex industry, Ravindran has worked with leading organizations for more than 25 years. In his last assignment before joining Remitx, he headed the foreign exchange business for one of the longest-established travel companies. Earlier in his career, he worked in a bank for over eight years.

EMPLOYEE ENGAGEMENT

Throughout FY24, we have undertaken numerous initiatives that reinforce the key values, fostering a work environment where every employee feels valued and motivated to contribute to our collective success.

Celebrating Cultural Diversity and Unity in the Workplace

Our Company's celebrations of festivals, cultural events, birthdays, themed parties, and team-building activities showcased our team's vibrant spirit and unity. Filled with joy, music, and dance, these events highlighted our diverse talents and fostered a strong sense of community and collaboration. These gatherings uplift morale and enrich our workplace culture, creating a supportive environment where everyone feels valued.



Rewards & Recognition – Keep Up the Good Work

This year, our Company launched a series of initiatives aimed at driving excellence and recognizing outstanding contributions across all departments. These programs were designed to boost motivation, encourage healthy competition, and strengthen team spirit throughout the organization. Employees were challenged to exceed their goals and deliver exceptional results, with top performers receiving prestigious awards and personal recognition from their respective department heads. Those who consistently met or surpassed their targets were regularly acknowledged with 'Keep Up The Good Work' emails, and certificates were awarded to top achievers across various locations in India. These initiatives highlighted the dedication and hard work of every employee, making it a year of remarkable accomplishments for the entire team.

Meets & Townhalls

Mid and senior-level employees gathered for a pivotal strategic meeting where the CEO and CXOs outlined the company's vision, strategic goals, and market outlook. The event featured discussions on sales strategies, organizational growth, and future initiatives, fostering direct engagement between employees and leadership. Regional meetings complemented this by addressing specific regional challenges and fostering cohesion through strategy discussions and networking. The Management conducted various townhall meetings to highlight their vision, set clear directions, and emphasize the importance of innovation and collaboration. These sessions reinforced our commitment to growth and inspired everyone to excel in their roles.



CSR INITIATIVES

In FY 2023-24, we at Capital India Finance Limited (CIFL) demonstrated our steadfast commitment to corporate social responsibility (CSR) initiatives, focusing on uplifting communities and fostering sustainable development. By strategically investing in education, rural development, health, and livelihood projects, we have made a significant impact on the lives of underserved populations.

Enhancing Education Infrastructure

Aligned with our dedication to quality education, we spearheaded the redevelopment of two government schools in the Bulandshahr district. These schools faced numerous challenges, including a lack of electricity, inadequate classroom furniture, and poor infrastructure.

Through our meticulous efforts, we transformed both schools, equipping them with electricity and fans in all classrooms and staff rooms. We installed a total of 53 fans and 65 lights across the premises.

Additionally, we furnished the schools with top-quality desks, teacher tables, chairs, blackboards, and pinboards in eight classrooms, two staff rooms, and two activity labs.

Promoting Environmental Sustainability

To address the issue of untreated drain water accumulation, which impacted the local community's health and environment, by filtering the wastewater through reed bed method, we have redirected 1,50,000 litres of this filtered drain water daily to Amrit Sarovar.

This initiative contributed to groundwater recharge, mitigating foul smells and mosquito breeding while promoting environmental sustainability.

Health Awareness and Screenings

Recognising the critical need for health awareness and screenings in rural areas, we organised comprehensive camps targeting cervical cancer, oral cancer, and general health. Over 1,199 individuals in Haryana and Uttar Pradesh received essential health education and screenings through five awareness sessions and holistic health check-ups. Our initiatives covered a broad spectrum of health issues, including eye care, cervical cancer, breast cancer, and oral cancer, fostering a culture of preventive healthcare.

Economic Empowerment Through Training

In our commitment to economic empowerment, we facilitated the training of 60 youth in credit processing under a six-month certification course accredited by NSDC. Remarkably, 34 participants secured employment with reputable companies such as Ebix Cash, 3i Infotech, Quess Corp Ltd. Inspire Group, and NSB BPO. Additionally, 14 individuals pursued higher education in fields such as SSC preparation, Bank PO preparation, advanced banking courses, and MBA programme, while others continue to actively seek employment opportunities.



CIFL's CSR initiatives highlight our steadfast dedication to social welfare and sustainable development. By addressing key challenges in education, rural development, health, and livelihood, we strive to create lasting positive impacts and contribute to the holistic growth of the communities we serve. We remain committed to fostering inclusive growth and look forward to continuing our efforts in the years ahead.





MANAGEMENT DISCUSSION AND ANALYSIS

Capital India Finance Limited ("Company") is a systemically important non-deposit, non-banking financial company duly registered with the Reserve Bank of India ("RBI") under Section 45 IA of the Reserve Bank of India Act, 1934. The Company has existed for almost three decades and is focused on providing various financing solutions to its customers. It has a diversified lending portfolio across retail, micro, small and medium enterprises (MSMEs), and commercial customers.

Industry Structure and Development

Non-Banking Financial Companies (NBFCs) have emerged as critical players in the financial ecosystem, providing crucial funding to a broad population segment, including MSMEs and economically unserved and underserved groups. These institutions excel in meeting diverse financial needs across extensive geographical areas, leveraging their deep understanding of local markets and delivering services with rapid turnaround times. Unlike traditional banks, NBFCs often employ more flexible, innovative approaches to credit assessment and customer engagement, enhancing their ability to effectively serve remote or marginalised communities. By supporting the growth of millions of Micro, Small, and Medium Enterprises (MSMEs), NBFCs drive economic development and contribute significantly to job creation. This pivotal role has been instrumental in advancing financial inclusion, making capital accessible to those who might otherwise remain outside the formal banking system. NBFCs have successfully adapted technology to enhance their operations and are advancing further. They continue refining credit assessments and optimising risk management by integrating advanced analytics and artificial intelligence. This ongoing technology enhancement underpins their ability to deliver efficient and accessible financial services.

Evolving Dynamics: New Trends and Models in the Financial Ecosystem

NBFCs are diversifying their service offerings and embracing digital transformation to remain competitive in a rapidly evolving financial landscape. This strategic shift includes leveraging technology to enhance operational efficiency and streamline processes. By exploring strategic partnerships and collaborations and adopting more flexible and customer-centric operating models, NBFCs are positioning themselves to offer innovative financial products that meet their clients' changing needs.

Digital Transformation: Technological advancements have revolutionized the non-banking financial company (NBFC) sector. Integrating digital technologies has streamlined processes, boosted efficiency, and greatly enhanced client interactions. Additionally, the expansion of the fintech industry has facilitated the creation of new and innovative financial products and services.

Co-Lending: The Reserve Bank of India's co-lending norms, introduced in November 2020, have facilitated partnerships between banks and NBFCs for priority sector lending. This collaborative approach has broadened the reach of financial services, enabling more efficient credit distribution to underserved sectors.

Broadening Horizons and Enhancing Connections: NBFCs have broadened their operational reach to Tier 2, Tier 3, and Tier 4 markets, significantly enhancing their loan distribution through various customer touchpoints. By focusing on creating a cohesive channel experience,

they offer an omnichannel, seamless sales and service interaction that is accessible around the clock. This strategy has greatly improved customer engagement and satisfaction.

Enhancing Small Business Financing: Key Government and RBI Initiatives: The Indian government and the Reserve Bank of India have implemented various measures to enhance the small business lending landscape. Initiatives such as the introduction of account aggregators, Pradhan Mantri Mudra Yojana (PMMY), the launch of UPI platforms, TReDS, GeM, ONDC, and the implementation of GST have been crucial in promoting financial inclusion and bolstering the growth of the NBFC sector. These efforts aim to address structural challenges and expand access to financial services.

Expanding Reach with In-depth Market Insights: NBFCs have successfully targeted niche markets by addressing the needs of the unorganized and underdeveloped segments. Their profound understanding of demographic and market nuances, particularly in remote and rural areas, has enabled them to ensure last-mile delivery of financial products and services. This strategic focus has made finance more accessible across a wider population base.

India's MSME and NBFC

India's Micro, Small, and Medium Enterprises (MSMEs), though smaller in scale than larger enterprises, are vital contributors to the economy. They account for **29.15% of GDP and 45.56%¹** of exports while generating over 155 million jobs. As crucial growth drivers, these enterprises often struggle with accessing credit for various business needs such as working capital, equipment purchases, and technology upgrades. The RBI's Expert Committee has identified a significant credit gap of **INR 20 to 25 trillion**, which limits their potential for technological and infrastructural development.

Credit Challenges

Traditional financial institutions often prefer safer, proven ventures, leaving MSMEs with innovative ideas to face unique financial hurdles. These challenges include short-term loans unsuitable for extended R&D projects, stringent collateral demands, and a general risk aversion to untested business models, complicating funding opportunities. Additionally, MSMEs contend with lengthy loan processing times and a lack of understanding from lenders who fail to grasp the potential of novel business models, further delaying vital funding needed to seize emerging opportunities.

Catalysing MSME Growth with Tailored and Innovative Financing

While traditional banks may hesitate to fund MSMEs, NBFCs fill this gap with flexible and innovative financing approaches. They often operate through subsidiaries of commercial banks, providing essential capital, sometimes

even unsecured, to underserved groups like women or individuals with disabilities. NBFCs assess an MSME's potential beyond just credit scores, considering their business ideas and growth potential. They utilize advanced technologies like data analytics and machine learning to streamline credit evaluations, offering various tailored financial products and services, including mentorship and business planning support. This customer-centric approach ensures that MSMEs receive funding and the tools necessary for success.

Ecosystem of Innovative Support

Indian MSMEs are a thriving innovation hub, significantly contributing to ecological and community well-being. They are making impactful strides in sectors like aggrotech with AI-enhanced farming tools, waste management through advanced recycling and upcycling technologies, and cleantech by making renewable energy solutions more affordable. Additionally, they are enhancing manufacturing with cutting-edge technologies like 3D printing and IoT while revitalizing traditional crafts and textiles by merging heritage with modern digital strategies. These initiatives not only foster sustainable development but also strengthen community ties.

Company Overview

The Company provides tailored financial solutions to micro, small and medium-sized businesses needing access to traditional financial channels. Believing firmly in the Indian growth narrative, the Company aims to meet the bespoke financing needs of millions of small businesses, traders, and self-employed individuals across India. These groups often need to meet demands from conventional lenders, and the Company strives to fill this gap as a partner credit institution, offering customised financial solutions for growth and working capital requirements.

Product Portfolio

Capital India Finance Limited (CIFL) is a pivotal NBFC focused on MSME lending, boasting a diversified business portfolio tailored to modern market demands. CIFL offers a suite of loan products, including:

MSME Secured Loans

The Company offers financial solutions designed to support sustainable business growth. It closely understands its clients' credit needs, market dynamics, growth opportunities, and business strategies, tailoring its financing solutions to align with their objectives. As credit facilitators, the Company collaborates with organisations to ensure that top-tier businesses have the opportunity to thrive.

- **Micro Loan Against Property (LAP):** Available for residential, commercial, and industrial properties, with exposures up to INR 20 lakhs.

- **Retail LAP:** Tailored for business expansion, asset acquisition, and renovations.
- **Commercial Property Purchase:** Loans for buying commercial properties aimed at investment, leasing, or self-use.
- **Self-Construction of Commercial Property:** Financing for land acquisition and construction projects.
- **Lease Rental Discounting:** Provides liquidity against future rental incomes.

Structured Finance

Offers solutions for business acquisition, partnerships, and facilitating strategic financial manoeuvres and business growth.

MSME Unsecured Loans

These loans cater to MSMEs' working and growth capital needs, including personal loans for consumer needs and educational fees. Our efficient digital loan processing ensures rapid approvals and fund access.

Outlook

Leadership Driving Innovation: Executive Team Overview

The Company boasts an experienced senior management team that is also highly motivated and dedicated. This team brings a rich banking, financial services, consultancy, and infrastructure background, contributing to the company's strategic growth and operational excellence.

Mr. Keshav Porwal, the Managing Director, has over two decades of experience in the financial services and real estate industries. His comprehensive expertise spans various facets of real estate financing, from risk management to launching new products. Additionally, Mr. Porwal has played a crucial role in restructuring and re-engineering medium-sized enterprises in the automotive and hospitality sectors.

Mr. Pinank Jayant Shah, the Chief Executive Officer, is a seasoned leader with over two decades of experience in financial services. He has a proven history of establishing businesses and guiding cross-functional teams.

Before joining Capital India, Pinank created a technology-driven lending franchise at Dhani that caters to a large customer base. Pinank excels in fundraising through debt and equity channels, managing key stakeholder relationships, both external and internal and setting up a tech-enabled risk management framework.

Mr. V P Ravindran Menon, RemitX's Chief Executive Officer, is responsible for building the business's foreign exchange arm.

¹ <https://pib.gov.in/PressReleaseframePage.aspx?PRID=1985020>

A veteran in the forex industry, Ravindran has worked with leading organizations for more than 25 years. In his last assignment before joining RemitX, he headed the foreign exchange business for one of the longest-established travel companies. Earlier in his career, he worked in a bank for over eight years.

Under the leadership of this dynamic team, the Company has implemented several strategic changes to ensure steady business growth.

Loan Management: Tech and Risk Control

The Company ensures the adoption of technology and strict risk assessment across the entire loan cycle, highlighting various API integrations and in-house data management practices. Key elements include:

- 1. API Integrations:** Implemented tools to assist in customer profiling and financial analysis, while depositories/bureau platforms are used for instant PAN verification and credit checks.
- 2. Loan Management System:** This system centralizes loan data and ensures rigorous checks through automated workflows.
- 3. In-House Data Management:** Utilizes automated tool for document management and public cloud for scalable data hosting.

The said process involves comprehensive underwriting, monitoring, and collection methods, including a market-responsive credit model, ensuring effective risk management and compliance.

Strategic Focus for Growth and Diversification

Focus on the MSME Segment: Recognising the significant role of MSMEs in India's economic expansion, the Company is committed to lending to this dynamic segment as part of its portfolio diversification strategy. This approach is expected to foster a healthy and diversified portfolio. With over a decade of experience in financial services, the Company's management is well-equipped to understand and judiciously lend to this sector.

Capitalising on Senior Management Expertise for Expansion: In line with its strategy to maintain steady growth, the Company plans to expand its operations in the next financial year by opening more branches and expanding the business of Micro Loan Against Property (Micro LAP),

which will extend to the semi-urban areas of India. With its diverse experience and profound understanding of market trends, credit demands, and industry developments, the seasoned senior management team is poised to identify and engage suitable customers across various industries effectively. This strategic leverage of senior management expertise is expected to enable the Company to adapt to and capitalise on emerging market opportunities swiftly.

Strategic Risk Management Framework

At the core of the Company's business strategy lies a robust risk management culture permeating the organisation. An NBFC operating in a dynamic financial environment is inherently exposed to various risks associated with its lending activities. The primary goal is to meticulously assess, monitor, and mitigate these risks through a rigorous framework that integrates stringent policies and sophisticated procedures.

Comprehensive Risk Mitigation Measures

The Company's approach to managing credit risk is built on precise underwriting practices, diligent regulatory compliance, and structured risk assessments. It employs a delegated approval process and conducts regular portfolio reviews to ensure ongoing vigilance. The risk management team, comprised of experienced professionals, is critical in pre-emptively identifying potential risks and implementing strategies to minimise them effectively.

Advanced Risk Management Systems

The Company has developed and implemented state-of-the-art risk management systems that cover a spectrum of potential vulnerabilities, including operational, liquidity, market, compliance, and regulatory risks. It continuously develops its sector expertise to maintain an acute awareness of event-driven risks across different product segments.

Role of the Risk Management Committee

Supporting the Company's strategic objectives, the Risk Management Committee works closely with the Board of Directors to address and oversee all aspects of risk. This committee is pivotal in ensuring the effectiveness of risk management practices and promoting corporate accountability. It regularly reviews the risk management framework's implementation and efficacy, aligning closely with the Audit Committee to address and report on all identified risk categories.

Risk Management Strategies at Capital India Finance: Ensuring Stability and Compliance



Fraud Risks

A comprehensive Fraud Risk Management framework mitigates fraud risks. The Risk Management Committee, reviews matters related to fraud risk, focusing on corrective and remedial actions concerning personnel and processes.



Technology Risks

The Company has implemented tools to mitigate various security risks, including restricted access to tools and secure internet access. Management periodically reviews technology risks, including protecting sensitive customer data, identity theft, cybercrimes and data leakage, and ensures business continuity through robust access controls.



Credit, Liquidity, and Finance Risks

The Company's Credit Committee, comprising Independent Directors, the Managing Director, Chief Executive Officer and the Chief Credit Officer, assesses medium and large credit proposals. Small proposals are evaluated at designated levels per the board-approved approval matrix. Product-specific lending policies and regular monitoring of exposures are also in place.



Compliance Risks

The Company has adopted business-specific Compliance Manuals, limit monitoring systems, and Anti-Money Laundering (AML)/Know Your Customer (KYC) policies to address compliance risks. Involvement in the compliance process is ensured by instituting reporting processes across all business units, zones, and departments, complemented by the submission of quarterly compliance reports.

Robust Internal Control Systems: Ensuring Integrity and Efficiency

The Company's internal control system is meticulously designed to safeguard operational efficiency, resource conservation, and compliance with laws and regulations. This system is fundamental in ensuring the accuracy and timeliness of financial reporting. It is underpinned by a rigorous internal audit process that regularly reviews the adequacy and effectiveness of the Company's internal controls. These reviews encompass systems, ongoing operations at the front and back end, and adherence to regulatory standards and procedures.

The internal control framework strongly emphasises examining the processes and controls in place. It aims to proactively identify and mitigate risks, preventing potential leakages or fraud. This comprehensive approach ensures that the Company maintains high corporate governance and operational integrity standards, contributing significantly to its overall sustainability and success.

Performance Indicators

- a. During the year under review, the key financial indicators of the Company were as follows:

Key Financial Indicators

(In INR Crore)		
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total Income	194.66	163.43
Total Expenditure	167.22	143.50
PAT	20.10	15.05
Net Worth	606.54	585.42
Debt to Equity Ratio	0.93	1.09
CRAR	36.58%	35.92%

b. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:

- (i) Debtors Turnover: Not applicable being an NBFC
- (ii) Inventory Turnover: Not applicable being an NBFC
- (iii) Interest Coverage Ratio: Not applicable being an NBFC
- (iv) Current Ratio: Not applicable being an NBFC
- (v) Debt Equity Ratio: 0.93
- (vi) Operating Profit Margin (%): Not applicable
- (vii) Net Profit Margin (%): 10.33%

c. Details of any change in Return on Net Worth as compared to the immediately previous financial year, along with a detailed explanation thereof:

The increase in net worth to INR 606.54 Crores is due to plough back of profit for the period ended March 31, 2024.

Advancements in Human Resources and Industrial Relations

The Company recognises that its employees are the most valuable assets and strives to enable them to realise their full potential through various up-skilling and re-skilling initiatives. The Human Capital function is critical in supporting the organisation to meet its ongoing need for recruiting the right talent, onboarding new hires, training the workforce, managing performance, overseeing compensation & benefits, and overall organisational development.

During the period under review, the Company significantly enhanced its management and core leadership teams to guide its operations with diligence and dedication. Concerted efforts have been made to attract top industry talent, laying a robust foundation for future growth.

At Capital India Finance Limited (CIFL), people form the cornerstone of the Company’s growth. The Company’s Human Capital strategy revolves around developing

a diverse talent pool, blending young innovators with seasoned leaders in a collaborative pattern while leading growth.

Throughout FY 2023-24, the Company prioritized talent development through targeted training and a culture fostering openness, respect, meritocracy, and trust. Significant endeavours were undertaken to educate and train the talent within the Company, aiming to promote maximum productivity and efficiency while ensuring compliance with RBI regulations and instructions. As we strive to establish ourselves as a leading NBFC in India, we desire to emphasize the importance of cultivating a people, customer, and compliance-centric culture.

The Company’s workforce numbered 573 as of the end of March 2024.

The Company continues to study the best industry practices in customer acquisition, credit delivery, collection processes, and manpower sizes of Non-Banking Financial Companies (NBFCs) serving similar customer demographics. This has led to required adjustments to the Company’s talent management strategy to integrate the best industry practices within the Company to attract and retain vital talent crucial for future business expansion.

Moreover, the comprehensive periodical training initiatives, encompassing frontline sales, marketing, credit, and other personnel, including KYC training, were implemented both on and off the job.

The Company’s efforts to promote inclusivity and diversity within the Company have been scaling up gradually by trying to balance the work-life balance of the Company’s employees, particularly the women workforce.

Cautionary Note

This report includes forward-looking statements from public sources such as government and industry reports. These statements involve risks due to economic fluctuations, policy changes, and reliance on specific sectors, potentially leading to results that vary significantly from projections. Reviewing these statements in conjunction with the detailed financial statements and notes is crucial. The company may update these statements without prior notification.

BOARD’S REPORT

To,
The Members,
Capital India Finance Limited (“Company”)

Your Board of Directors (“Board”) take pride in presenting the 30th Annual Report together with the Audited Financial Statements (standalone and consolidated) (“Financial Statements”) for the Financial Year ended on March 31, 2024 (“FY 2023-24” or “period under review”). The summarized consolidated and standalone financial performance of your Company is as follows:

1. FINANCIAL HIGHLIGHTS

(INR in Lakhs)				
Particulars	Consolidated		Standalone	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
Total Income	68,800.53	65,693.62	19,466.34	16,343.06
Less: Total Expenditure	69,702.69	73,276.05	16,721.78	14,349.70
Profit/(Loss) before tax	129.29	(8,542.79)	2,744.56	1,993.36
Less: Tax Expense	772.74	164.21	734.29	488.33
Profit/(Loss) for the year (Owners of the Company)	1,164.78	(4,157.12)	2,010.27	1,505.03
Other Comprehensive Income	(50.82)	29.58	(40.99)	13.82
Total Comprehensive Income for the year (Owners of the Company)	1,118.64	(4,121.52)	1,969.28	1,518.85
Add: Balance brought forward from previous year	(3,412.61)	1,092.68	6,700.29	5,560.18
Less: Appropriations:				
• Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	426.80	366.54	402.05	301.01
• Dividend on equity shares	77.73	77.73	77.73	77.73
• Other Addition/ Deductions during the year	(210.51)	(60.50)	(7.21)	-
• Surplus in the Statement of Profit/(Loss)	(2,587.99)	(3,412.61)	8,197.00	6,700.29

2. STATE OF COMPANY’S AFFAIRS

The Company is registered with the Reserve Bank of India (“RBI”) as a Non-Banking Financial Company (“NBFC”) not accepting public deposits, holding Certificate of Registration dated March 24, 1998, issued from RBI under Section 45-IA of the Reserve Bank of India Act, 1934 (“RBI Act”) and is carrying on the activities of providing finance to the Retail and MSME sectors.

The Company is also registered with RBI as an Authorised Dealer and has been granted Authorised Dealer Category-II License to carry out foreign exchange services. Also, the Company has been granted authorisation to undertake inward cross border money transfer activities in India, through tie-up arrangement with Western Union Financial Services Inc. (Overseas Principal) under Money Transfer Service Scheme.

During the period under review, on standalone basis, the Company’s total income was INR 19,466.34 Lakhs as compared to INR 16,343.06 Lakhs during the previous financial year and the Company has earned a Profit before Tax of INR 2,744.56 Lakhs as compared to the Profit before Tax of INR 1,993.36 Lakhs during the previous financial year.

On consolidated basis, the Company’s total income was INR 68,800.53 Lakhs as compared to INR 65,693.62 Lakhs during the previous financial year and the Company has incurred a Profit before Tax of INR 129.29 Lakhs as compared to the Loss before Tax of INR 8,542.79 Lakhs incurred during the previous financial year.

The Financial Statements, both on Standalone and Consolidated basis forms part of this Annual Report.

3. RESERVES

For the financial year ended on March 31, 2024, an amount of INR 402.05 Lakhs was transferred to Special Reserve Account in terms of Section 45-IC of the RBI Act.

The Company has made a provision of INR 220.37 Lakhs for Employee Stock Options and a provision of INR 164.60 Lakhs for Expected Credit Losses (“ECL”) during the period under review. Total provisions for ECL of the Company as at the end of FY 2023-24 was INR 1,914.21 Lakhs.

Except as mentioned above, no amount was transferred to any reserve by the Company during the period under review.

4. SHARE CAPITAL

During the period under review, there was no change in the capital structure of the Company. As on March 31, 2024, the Capital structure stands as follows:

Particulars	Details
Authorised Share Capital	INR 214,00,00,000 (Indian Rupees Two Hundred and Fourteen Crores only) divided into 20,40,00,000 (Twenty Crore Forty Lakhs) Equity Shares having face value of INR 10 (Indian Rupees Ten only) each and 1,00,00,000 (One Crore) Preference Shares having face value of INR 10 (Indian Rupees Ten only) each
Paid-up Share Capital	INR 77,73,42,600 (Indian Rupees Seventy Seven Crores Seventy Three Lakhs Forty Two Thousand and Six Hundred only) divided into 7,77,34,260 (Seven Crore Seventy-Seven Lakhs Thirty-Four Thousand Two Hundred and Sixty) fully paid-up Equity Shares having face value of INR 10 (Indian Rupees Ten only) each

5. NON-CONVERTIBLE DEBENTURES

During the period under review, the Company has not issued/allotted any new debentures.

The Company had redeemed the following Non-Convertible Debentures (“NCDs”) during the FY 2023-24:

S. No.	Name of Debenture Holder	No. of NCDs*	Face Value (INR in Lakhs)	Amount (INR in Lakhs)	Date of Redemption
1	Bank of India	500	10	5,000.00	June 23, 2023
2	Punjab National Bank	250	10	2,500.00	July 28, 2023

*All the above NCDs were listed on BSE Limited.

As on March 31, 2024, the Company does not have any outstanding NCDs.

6. CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business activity of the Company during the period under review.

7. DETAILS OF HOLDING, SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY(IES)

➤ Holding Company

Capital India Corp Private Limited, having 73.04% share in the paid-up share capital of the Company, is the holding and promoter entity of your Company.

➤ Subsidiary Company

As on March 31, 2024, the Company has following subsidiaries:

S. No.	Name of Subsidiary	Percentage (%) of Shareholding
1.	Capital India Home Loans Limited	99.90
2.	Rapipay Fintech Private Limited	52.50
3.	Capital India Asset Management Private Limited	100.00
4.	NYE Investech Private Limited (formerly Kuants Wealth Private Limited)*	52.50
5.	NYE Insurance Broking Private Limited *	52.50

* Step-down Subsidiary through Rapipay Fintech Private Limited

➤ Joint Venture / Associate Company

The Company does not have any associate or joint venture during the period under review. However, in accordance with the applicable provisions of the Indian Accounting Standards, Credenc Web Technologies Private Limited, which was an associate of the subsidiary of the Company, Capital India Home Loans Limited (“CIHL”), ceased to be an associate of CIHL with effect from May 16, 2023 and therefore also ceased to be associate of the Company.

Note:

- As required under Rule 8 (1) of the Companies (Accounts) Rules, 2014, the Board’s Report has been prepared on Standalone Financial Statements basis. A report on the performance and financial position of each of the Company’s Subsidiary as per Section 129(3) of the Companies Act, 2013 (“Act”), read with the Companies (Accounts) Rules, 2014, in the prescribed form AOC-1 is attached as **Annexure I** to the Board’s Report.
- As required under Regulation 16(1)(c) and 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**Listing Regulations**”), the Board has approved and adopted the Policy for determining Material Subsidiaries. The Policy is available on the Company’s website at <https://capitalindia.com>. Also, details of the Material Subsidiary(ies) are given in the Corporate Governance Report which is annexed to and forms an integral part of this Board’s Report.
- The standalone audited financial statements of each of the subsidiary of the Company are available on the Company’s website at <https://capitalindia.com> under the “Investors” tab. Members interested in obtaining a copy of financial statements of the subsidiaries may write to the Company at secretarial@capitalindia.com.
- The Annual Report of the Company, containing Financial Statements would be placed on the website of the Company at <https://capitalindia.com> under the “Investors” tab.

8. DIVIDEND DISTRIBUTION POLICY

Your Company has adopted the Dividend Distribution Policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The said Policy is available on the website of the Company at <https://capitalindia.com> under the “Investors” tab.

9. DIVIDEND

In line with the Dividend Distribution Policy of the Company, your Directors are pleased to recommend a final dividend of INR 0.10 (Indian Rupee Ten Paise only) per Equity Share having face value of INR 10 (Indian Rupees Ten only) each, for the FY 2023-24, payable to shareholders of the Company whose names appear in the Register of Member as on the Record Date i.e. Friday, September 20, 2024. The final dividend on 7,77,34,260 (Seven Crores Seventy-Seven Lakhs Thirty Four Thousand Two Hundred and Sixty) Equity Shares, if approved by the members of the Company at the ensuing Annual General Meeting (“AGM”), would entail an outflow of INR 77,73,426 (Indian Rupees Seventy Seven Lakh Seventy Three Thousand Four Hundred and Twenty Six only).

10. INTERNAL CONTROL SYSTEM AND INTERNAL FINANCIAL CONTROLS

The Company has in place an adequate Internal Financial Control System with reference to the financial statements and Internal Control System, commensurate with the size, scale and complexity of its operations.

The Directors have laid down Internal Financial Control procedures to be followed by the Company which ensures compliance with various policies, practices and statutes, keeping in view the organization’s pace of growth and increasing complexity of operations for orderly and efficient conduct of its business.

The Audit Committee of the Board is vested with the powers to evaluate the adequacy and effectiveness of the Internal Financial Control system of the Company, thereby ensuring that:

- Systems have been established to ensure that all the transactions are executed in accordance with the management’s general and specific authorization.
- Systems and procedures exist to ensure that all the transactions are recorded so as to permit preparation of Financial Statements in conformity with the Generally Accepted Accounting Principles (GAAP) or any other criteria applicable to such Statements, and to maintain accountability for effective and timely preparation of reliable financial information.
- Access to assets is permitted only with the management’s general and specific authorization. No assets of the Company are allowed to be used for personal purposes, except in accordance with the terms of employment or except as specifically permitted.

4. The existing assets of the Company are verified / checked at reasonable intervals and appropriate action is taken with respect to differences, if any.
5. Appropriate systems are in place for prevention and detection of frauds and errors and for ensuring adherence to the Company's various policies as listed on the website of the Company and otherwise disseminated internally.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board is governed by the relevant provisions of the Act and the rules made thereunder, the Listing Regulations, the Articles of Association of the Company, and all other applicable laws and is in accordance with the best corporate governance practices from time to time.

i. Board of Directors

The Company aims for an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the effectiveness of Board and separate its functions of governance and management. As on March 31, 2024, the Board of the Company consists of following 6 (Six) directors:

S. No.	Name	DIN	Designation
1.	Mr. Vinod Somani	00327231	Non-Executive Chairman (Independent)
2.	Mr. Keshav Porwal	06706341	Managing Director
3.	Mr. Yogendra Pal Singh	08347484	Independent Director
4.	Mr. Subhash Chander Kalia	00075644	Independent Director
5.	Ms. Rashmi Fauzdar	07599221	Independent Woman Director
6.	Ms. Jyuthika Mahendra Jivani	10558392	Additional Independent Woman Director

ii. Fit and Proper Criteria

On the basis of declarations received from the Directors of the Company as on March 31, 2024 and taken on record by the Board of Directors, none of the Director were disqualified as on March 31, 2024 from being appointed as a Director in terms of Section 164(2) of the Act.

All the Directors of the Company duly meet the Fit and Proper Criteria of Director as per the applicable provisions of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (“**Master Directions**”) issued by the RBI and have given their declaration for the same.

None of the Directors of the Company are disqualified as per the provisions of Section 164 of the Act and the Directors of the Company have made necessary disclosures under Section 184 and other relevant provisions of the Act.

Brief resume and other details of the Director(s) being appointed/re-appointed at the ensuing AGM as stipulated under Secretarial Standard-2 issued by the Institute of Company Secretaries of India and Regulation 36 of the Listing Regulations, are separately disclosed in the Notice of ensuing AGM.

iii. Changes in Directors

During the period under review, the following changes took place in the directorships of the Company:

- a. Ms. Rachna Dikshit (DIN: 08759332) ceased to be associated as an Independent Woman Director of the Company w.e.f. August 08, 2023.
- b. Ms. Rashmi Fauzdar (DIN: 07599221) was appointed as an Additional Independent Woman Director of the Company w.e.f. August 24, 2023. Further, the members at the 29th AGM held on September 21, 2023, have approved the appointment of Ms. Rashmi Fauzdar (DIN: 07599221) as an Independent Woman Director of the Company, for a term of 5 (Five) consecutive years commencing from August 24, 2023.
- c. The members at the 29th AGM, have also approved the re-appointment of Dr. Harsh Kumar Bhanwala (DIN: 06417704), as an Executive Chairman for a period of 3 (Three) years w.e.f. August 06, 2023. However, due to advancing age and other personal reasons, Dr. Bhanwala stepped down from the Board of the Company and ceased to be the Executive Chairman w.e.f. January 24, 2024 (close of business hours).
- d. Ms. Jyuthika Mahendra Jivani (DIN: 10558392) was appointed as an Additional Director in the category of Non-Executive Independent Woman Director of the Company w.e.f. March 20, 2024, subject to the approval of the shareholders for a period of 5 (Five) consecutive years.

Except for the changes mentioned above, there have been no changes in the composition of the Board of Directors of the Company during the period under review.

iv. Declaration of Independence

The Company has received necessary declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under Section 149(6) of the Act and Regulation 16 of the Listing Regulations. The Company has also received declaration of compliance under Rule 6 (1) & (2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, from all the Independent Directors, regarding online registration with the Indian Institute of Corporate Affairs, for inclusion/ renewal of name in the databank of Independent Directors.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity and that they are independent to the Management of the Company.

During the period under review, the Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees and reimbursement of expenses incurred by them for the purpose of attending the meetings of Board and Committee(s) of the Board of the Company.

v. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including proficiency) of the Independent Directors appointed during the year

With regard to the integrity, expertise and experience (including proficiency) of the Independent Director(s) during the FY 2023-24, the Board of Directors have taken on record the declarations and confirmations submitted by the Independent Director(s) and is of the opinion that all the Independent Directors are persons of integrity and possess relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company.

vi. Directors and Officers (D&O) Liability Insurance

Your Company has an Insurance for its Directors/ Officers for such quantum and risks as determined by the Board of the Company.

vii. Retirement by Rotation

In accordance with the provisions of the Act read with the rules made thereunder and the Articles of Association of the Company, Mr. Keshav Porwal, Managing Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible has offered his candidature for re-appointment as a Director of the Company at the AGM.

viii. Key Managerial Personnel (KMP)

As on the date of this Report, the Company has the following KMPs in accordance with the provisions of the Act read with the rules made thereunder:

Mr. Keshav Porwal	: Managing Director
Mr. Pinank Jayant Shah	: Chief Executive Officer
Mr. Vikas Srivastava	: Chief Financial Officer
Mr. Rachit Malhotra	: Chief Compliance Officer & Company Secretary

During the period under review:

- Mr. Rachit Malhotra has been re-designated as Chief Compliance Officer and Company Secretary of the Company by the Board of Directors in their meeting held on April 28, 2023.
- Mr. Vineet Kumar Saxena resigned from the position of Chief Executive Officer of the Company w.e.f. August 08, 2023 (close of business hours).
- Mr. Pinank Jayant Shah was appointed as the Chief Executive Officer of the Company with effect from August 09, 2023.

ix. Board Meetings

During the period under review, 6 (Six) Board meetings were held. The details of composition of the Board and its meetings held during the year under review and the attendance of Directors at those meetings is provided in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the rules made thereunder.

x. Committees of the Board

The following are the Statutory Committees constituted by the Board in pursuance of the applicable provisions of the Act, Listing Regulations and RBI:

- i. Audit Committee;

- ii. Nomination & Remuneration Committee;
- iii. Stakeholders Relationship Committee;
- iv. Risk Management Committee;
- v. Corporate Social Responsibility Committee;
- vi. Investment Committee;
- vii. Asset-Liability Committee;
- viii. IT Strategy Committee; and
- ix. Write-off & Settlement Committee.

The following are the Non-Statutory Committees constituted by the Company for day-to-day working:

- i. Credit Committee;
- ii. Management Committee; and
- iii. Securities Issuance Committee.

xi. Separate Meeting of Independent Directors

In compliance with the provisions of Schedule IV to the Act read with Regulation 25 of the Listing Regulations, the Independent Directors met once during the FY 2023-24 on March 18, 2024, without the presence of Non-Independent Directors and members of the management team of the Company and inter-alia reviewed:

- a) The performance of Non-Independent Directors and the Board as a whole;
- b) The performance of the Chairman of the Board, taking into account the views of Executive and Non-Executive Directors; and
- c) The quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

12. POLICIES GOVERNING THE APPOINTMENT AND REMUNERATION OF THE DIRECTORS, EXECUTIVES AND EMPLOYEES

The Nomination & Remuneration Committee ("NRC") has been constituted to undertake the functions in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations as amended from time to time.

In accordance with the provisions of the Act and the Listing Regulations, the Board has adopted a Policy on Diversity of the Board of Directors and a Policy on Compensation of Directors, Executives and other Employees.

The purpose of this Policy is to establish and govern the procedure as applicable inter-alia in respect to the following:

- a) the level and composition of remuneration which is reasonable and sufficient to attract, retain and motivate Directors, Executives and Other Employees of the quality required to run the Company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) remuneration to Directors, Executives and Other Employees involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals which will address issues arising out of excessive risk taking caused by misaligned compensation packages;
- d) the compensation levels are supported by the need to retain earnings of the Company and the needs to maintain adequate capital based on internal capital adequacy assessment process; and
- e) to enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.

NRC develops the competency requirements of the Board based on the industry and strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence, before recommending them to the Board. Besides the above, NRC ensures that the new Directors are familiarized with the operations of the Company and endeavors to provide relevant training to the Directors.

The detailed Policy on Compensation of Directors, Executives and other Employees is available on the website of the Company at URL www.capitalindia.com.

The Company has also formulated a Fit and Proper Criteria Policy for inter-alia determining the qualification, technical expertise, positive attributes, integrity and independence of the Directors. The Company has received declarations from all the Directors of the Company that they meet the criteria laid down in the Fit and Proper Criteria Policy and the applicable provisions of the Master Directions issued by the RBI in this regard.

13. REMUNERATION OF THE DIRECTORS AND EMPLOYEES

Disclosure with respect to the ratio of remuneration of each of the Director to the median employee's remuneration as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this report as **Annexure II**.

Details as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees of the Company will be provided upon request by a Member. In terms of the provisions of Section 136(1) of the Act, the Annual Report is being sent to all the Members of the Company whose email address(es) are registered with the Company/ Depository Participants via electronic mode, excluding the aforesaid Annexure which shall be made available for inspection by the Members via electronic mode. If any Member is interested in obtaining a copy thereof, the Member may write to the Company at its Registered Office in this regard or send an email to secretarial@capitalindia.com.

14. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a Policy on Prevention of sexual harassment of women at workplace and matters connected therewith and has also complied with the provisions relating to the constitution of Internal Complaint Committee ("ICC"). It is our constant endeavor to ensure that we provide harassment free, safe and secure working environment to all employees especially women.

During the period under review, there was no case of sexual harassment reported to the Company.

15. POLICY ON PERFORMANCE EVALUATION OF THE DIRECTORS, BOARD AND ITS COMMITTEES

NRC has devised a policy for the performance evaluation of the Independent Directors, Board, its Committees and the other Directors and has laid down the performance evaluation and assessment criteria/ parameters. The Independent Directors in terms of Schedule IV to the Act and the provisions of the Listing Regulations, at its separate meeting, evaluated the performance of the Chairman, Non-Independent Directors, the Board as a whole and the flow of information between the management and the Board.

NRC has carried out the performance evaluation of each of the Directors, without the presence of the Director being evaluated and the Board carried out a formal evaluation of its own performance and the Board

Committees. The Board of Directors had expressed their satisfaction with the evaluation process.

The criteria/parameters laid down for the evaluation of performance of the Independent Directors is provided in the Corporate Governance report, forming part of this Annual Report.

16. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Regulation 34 of the Listing Regulations, the Management Discussion and Analysis Report is forming a part of this Annual Report.

17. DIRECTORS RESPONSIBILITY STATEMENT

The Board acknowledges the responsibility for ensuring compliance with the provisions of Section 134(3)(c) read with Section 134(5) of the Act in preparation of the Financial Statements for the financial year ended on March 31, 2024 and state:

- a. that in the preparation of Annual Accounts for the Financial Year ended as at March 31, 2024, the applicable Accounting Standards have been followed along with the proper explanation relating to the material departures;
- b. that the Directors have selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the Financial Year ended as at March 31, 2024 and of the profit and loss of the Company for the Financial Year ended on March 31, 2024;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud or other irregularities;
- d. that the Directors have prepared the annual accounts on a going concern basis;
- e. that the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. that there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory

auditors, and the reviews performed by management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the period under review.

18. PUBLIC DEPOSITS

The Company did not accept any public deposits during the period under review. Therefore, the disclosures as required under the Act read with the rules made thereunder, and Master Directions issued by RBI for public deposits are not applicable on the Company.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Act forms part of the Notes to the Financial Statements provided in this Annual Report.

20. AUDITORS

a) STATUTORY AUDITORS

In compliance with the relevant provisions of the Act read with the rules made thereunder and the circular no. DoS.CO.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 issued by the Reserve Bank of India and the related FAQs issued thereafter and based on the recommendation of the Board of Directors, the members in their 28th AGM re-appointed M/s Singhi & Co., Chartered Accountants (Firm Registration no. 302049E) as Statutory Auditors of the Company for a period of 2 (Two) consecutive years, to hold the office of the Statutory Auditors from the conclusion of the 28th AGM until the conclusion of the 30th AGM.

M/s Singhi & Co. has conducted the Statutory Audit for the period ended March 31, 2024. The report submitted by the Statutory Auditors on the Financial Statements of the Company forms part of this Annual Report. There have been no qualifications, reservations or adverse remarks or disclaimer given by the Statutory Auditors in their report.

b) SECRETARIAL AUDITORS

In terms of the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Listing Regulations, the Board had appointed M/s Arun Gupta & Associates, Company Secretaries, as the Secretarial Auditors of the Company to undertake the Secretarial Audit for the financial year 2023-24. The Secretarial Auditors have submitted their report in Form MR-3, which forms part of this Annual Report. There are no observations, reservations or adverse remarks in the Secretarial Audit Report.

Pursuant to Regulation 24A of the Listing Regulations, every listed company shall annex with its annual report the Secretarial Audit Report of its material subsidiaries incorporated in India. In compliance with the said requirement, the Secretarial Audit Report(s) of Capital India Home Loans Limited and Rapipay Fintech Private Limited, the material subsidiaries of the Company, for the financial year 2023-24 forms part of this Annual Report.

c) INTERNAL AUDITORS

The Board had re-appointed M/s Aneja Associates, Chartered Accountants, as the Internal Auditors to undertake internal audit of the Company for the financial year 2023-24 in terms of the provisions of Section 138 of the Act and the rules made thereunder.

21. COST RECORDS

The provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, are not applicable on the Company for the period under review.

22. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134 of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company as on March 31, 2024 will be available on the website of the Company at <https://www.capitalindia.com>.

23. CORPORATE GOVERNANCE REPORT

It has always been the Company's endeavor to excel better Corporate Governance through fair and transparent practices. The Company has put in place efficient and effective system to ensure proper compliance with statutory regulatory provisions. The Company understands and respects its fiduciary role and responsibility towards its stakeholder and society at large.

The report on Corporate Governance in accordance with Regulation 34 read with Schedule V to the Listing Regulations and Master Directions is presented in a separate section, forming part of this Annual Report.

A certificate from M/s Arun Gupta & Associates, Company Secretaries confirming compliance to the conditions of Corporate Governance as stipulated under Para E of Schedule V to the Listing Regulations is enclosed to the Corporate Governance Report.

24. RELATED PARTY TRANSACTIONS

During the period under review, the contracts / arrangements / transactions entered into by the Company with the related parties were on arm's length basis and in the ordinary course of business, and

wherever not, the transaction has been duly approved by the Board. Also, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Accordingly, the particulars of the transactions as prescribed in Form AOC - 2 of the rules prescribed under Chapter IX relating to Accounts of Companies under the Act are not required to be disclosed.

All the related party transactions entered are disclosed in Note 35 of Financial Statements of the Company forming part of this Annual Report.

In terms of Section 188 of the Act read with the rules framed thereunder and Regulation 23 of the Listing Regulations, your Company has in place a Policy on Related Party Transactions for dealing with related party transactions. The policy is placed on the website of the Company at <https://www.capitalindia.com>.

25. CODE OF CONDUCT

The Board has approved a Code of Conduct for Board of Directors and Senior Management Personnel which has been placed on the website of the Company at <https://www.capitalindia.com>.

The Code of Conduct lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in workplace, in business practices and in dealing with stakeholders. All the members of the Board and the Senior Management Personnel have confirmed compliance with the Code of Conduct.

26. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and accordingly, pursuant to the provisions of Section 177(9) & (10) of the Act read with the rules made thereunder and pursuant to the provision of the Listing Regulations and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations"), the Company has established and implemented a Vigil Mechanism within the Company to be known as the 'Vigil Mechanism / Whistle Blower Policy' for its Directors and employees, to report instances of unethical behaviour and actual or suspected fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of the whistle blower who avails the mechanism and provides direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, the Vigil Mechanism / Whistle Blower Policy has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Vigilance and Ethics Officer or the Chairman of the Audit Committee of the Company in exceptional cases.

The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing and protect employees who are willing to raise a concern about serious irregularities within the Company.

During the period under review, no complaint of unethical or improper activity was reported to the Company.

27. COMPLIANCE WITH THE REGULATIONS ISSUED BY THE RESERVE BANK OF INDIA

The Company continues to fulfill the norms and standards laid down under the Master Directions and the other applicable regulations issued by the Reserve Bank of India, from time to time.

28. PREVENTION OF INSIDER TRADING

In accordance with the PIT Regulations, the Company has formulated and approved (i) an Insider Trading Code to regulate dealing in the securities of the Company by designated persons in compliance with the regulations; and (ii) a Policy for Fair Disclosure of Unpublished Price Sensitive Information. The Board is responsible for the implementation of this Code. The Chief Compliance Officer & Company Secretary of the Company, is Compliance Officer for the purposes of Insider Trading Code.

The Code and Policy can be accessed from the website of the Company at <https://www.capitalindia.com>.

29. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS/ OUTGO

Your Company is into the business of Non-Banking Financial Services and is not involved in any manufacturing activity. The information as applicable and required to be provided under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is given hereunder:

a) CONSERVATION OF ENERGY

- (i) Steps taken or impact on conservation of energy - The operations of your Company are not energy-intensive. However, adequate measures have been initiated for conservation of energy.

- (ii) Steps taken by the Company for utilising alternate source of energy - though the operations of the Company are not energy intensive, the Company shall explore alternative source of energy, as and when the necessity arises.
- (iii) Capital investment on energy conservation equipment - Nil

b) TECHNOLOGY ABSORPTION

- (i) Efforts made towards technology absorption - The minimum technology required for the business has been absorbed.
- (ii) Benefits derived like product improvement, cost reduction, product development or import substitution - Not Applicable
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -
- (a) the details of technology imported - Not Applicable
- (b) the year of import - Not Applicable
- (c) whether the technology has been fully absorbed - Not Applicable
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - Not Applicable
- (e) Expenditure incurred on Research and Development - Not Applicable

c) FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is into the business of foreign exchange and the earnings and outgo in foreign currencies are as under:

Particulars	For the year ended	
	31.03.2024	31.03.2023
Earnings in foreign currency		
Export of foreign currencies	-	866.05
Commission received (Forex)	33.52	11.77
Commission received (Western Union)	89.00	21.70
Outgo in foreign currency		
Subscription Charges	4.02	-

30.FRAUD REPORTING

There was no fraud reported by the Statutory Auditors of the Company, under Section 143(12) of the Act and the rules made thereunder to the Audit Committee or Board during the period under review.

31. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

32.MATERIAL CHANGES AND COMMITMENTS, IF ANY

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which these financial statements relate and the date of this Report.

33.CORPORATE SOCIAL RESPONSIBILITY

In compliance with the provisions prescribed under Section 135 of the Act, your Company constituted a Corporate Social Responsibility (CSR) Committee. The Board of Directors laid down the CSR Policy, covering the objectives, focus areas, governance structure and monitoring & reporting framework among others.

Details of composition of CSR Committee and other relevant details have been provided in the Corporate Governance Report. The CSR Policy is placed on the website of the Company at <https://capitalindia.com> and a brief outline of the policy and the Annual Report on CSR activities is appended in **Annexure III** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

34.CREDIT RATING

During the period under review, the Company has maintained its rating of 'A- / Stable outlook' by Acuite Ratings and Research Limited (Rating Agency) for term borrowing programme of INR 775 Crore and maintained the rating of 'A2+' for Short-Term debt of INR 25 Crore. During the period under review, the Company has fully repaid its outstanding Non-Convertible Debentures of INR 75 crores for which the rating of "A -/Stable" was subsequently withdrawn.

35.CONSOLIDATED FINANCIAL STATEMENTS

Your Company has prepared the Audited Consolidated Financial Statements in accordance with Section 129(3) of the Act read with the applicable Indian Accounting Standards ("Ind AS") and Listing Regulations. As required under the Ind AS, notified under Section 133 of the Act and applicable provisions of the Listing Regulations, the Audited Consolidated Financial Statements of the Company reflecting the Consolidation of the Accounts of the Company with its Subsidiaries are included in this Annual Report.

The Annual Report including the Balance Sheet, Statement of Profit & Loss, other statements and notes thereto is available on the Company's website at <https://www.capitalindia.com>.

36.RISK MANAGEMENT

The Risk Management Committee constituted by the Board, has framed and implemented a Risk Management framework depicting the process for loan proposal approval, loan management post disbursement and day to day monitoring to manage credit risk. It sets out the standards helpful in achieving a high-quality loan portfolio with optimal returns.

The framework is periodically reviewed and enhanced in response to changes in the external environment and business processes.

37. HUMAN RESOURCE-INITIATIVES

At Capital India Finance Limited ("Company"), people form the cornerstone of the Company's growth. Company's Human Capital strategy revolves around developing a diverse talent pool, which involves blending young innovators with seasoned leaders in a collaborative pattern while leading the growth path.

Throughout FY 23-24, the Company prioritized talent development through targeted training and a culture fostering openness, respect, meritocracy, and trust. Significant endeavours were undertaken to educate and train the talent within the Company, aiming to promote maximum productivity and efficiency while ensuring compliance with RBI regulations & instructions. As we strive to establish ourselves as a leading NBFC in India, we desire to emphasize the importance of cultivating a people, customer & compliance centric culture.

The company's workforce numbered 573 as of the end of March 2024.

It is the Company's continued efforts to study the best industry practices in the process of customer acquisition, credit delivery, collection processes, and manpower sizes of Non-Banking Financial Companies (NBFCs) serving similar customer demographics. This has led to required adjustments to the Company's talent management strategy to integrate the best industry practices within the Company with the objective to attract and retain vital talent crucial for future business expansion.

Moreover, the comprehensive periodical training initiatives, encompassing frontline sales, marketing, credit, and other personnel, including KYC training, were implemented both on and off the job.

The Company's efforts towards promoting inclusivity and diversity within the Company have been scaling up gradually by trying to create a balance in the work-life balance of the Company's employees, more particularly towards the women workforce.

38.LISTING OF SECURITIES

The Equity Shares of the Company are listed on BSE Limited. The Annual Listing Fee for the Financial Year 2023-24 has been duly paid to BSE Limited.

39. STATEMENT ON COMPLIANCES OF APPLICABLE SECRETARIAL STANDARDS

Your Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and such systems are adequate and operating effectively.

40.EMPLOYEE STOCK OPTIONS SCHEME

In order to motivate, incentivize and reward employees, your Company has instituted the Employee Stock Option Scheme in the name of CIFL Employee Stock Option Plan - 2018, further, during the period under review, the Members of the Company vide resolution passed through Postal Ballot dated December 09, 2023 have approved the CIFL Employee Stock Option Plan - 2023 and now the Company has two Employee Stock Option Scheme, namely, CIFL Employee Stock Option Plan - 2018 and CIFL Employee Stock Option Plan - 2023 ("**CIFL ESOP Plans**").

The NRC monitors the CIFL ESOP Plans. Relevant disclosures pursuant to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEBS Regulations**"), as on March 31, 2024 are available on the website of the Company at www.capitalindia.com.

A certificate with respect to the implementation of CIFL ESOP Plans in compliance with SEBI SBEBS Regulations would be presented before the members in the ensuing AGM of the Company and a copy of the same shall be available for inspection at the registered office and the corporate office of the Company during the working hours.

41. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

A report on Business Responsibility & Sustainability Reporting ("**BRSR**") of your Company for the financial year 2023-24, in accordance with Regulation 34(2) (f) of the Listing Regulations forms part of this Annual Report.

42.WEBSITE

The Company's website www.capitalindia.com provides information about the businesses carried out by the Company. It is the primary source of information to all the stakeholders of the Company and the general public at large. It also contains the Financial Results, Annual Reports, CSR, various Policies adopted by the Board and other general information about the Company and such other disclosures as required under various applicable regulations. In accordance with the Liquidity Risk Management Framework for Non-Banking Financial Companies, the Company on a quarterly basis provided a public disclosure on liquidity risk on its website.

43.OTHER DISCLOSURES

Your Directors states that no disclosure or reporting is required in respect of the following items during the period under review:

- The Company has not bought back any of its securities;
- The Company has not issued any bonus shares;
- The Company has not issued any sweat equity shares;
- The Company has not issued equity shares with differential rights as to dividend, voting or otherwise;
- The Company is not liable to transfer amount of dividend lying in the unpaid dividend account to Investor Education and Protection Fund (IEPF) pursuant to provisions of Section 125 of the Act;

- There was no revision in the financial statements between the end of the financial year and the date of this report;
- No application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year; and
- During the financial year 2023-24, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5) (xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

44.CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company objective, projections, estimates and expectations may constitute forward looking statement within the meaning of applicable laws and regulations.

45.ACKNOWLEDGEMENTS

Your Directors would gratefully like to place their appreciation for the assistance and co-operation received from the Company's bankers during the period under review. The Directors also acknowledge, with appreciation, the support and co-operation rendered by various Government Agencies and Departments. Your Directors would also wish to place on record their deep sense of appreciation for the continued support from all the investors of the Company.

By order and on behalf of the Board
Capital India Finance Limited

Vinod Somani
Non-Executive Chairman (Independent)
DIN: 00327231
Place: Haridwar

Keshav Porwal
Managing Director
DIN: 06706341
Place: Mumbai

Date: May 22, 2024

Annexure I

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Act read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures for the year ended March 31, 2024

Part-A: Subsidiaries (INR In Lakhs)

S. No.	Particulars	Name of Subsidiary companies				
		Capital India Home Loans Limited	Capital India Asset Management Private Limited	Rapipay Fintech Private Limited	NYE Investech Private Limited	NYE Insurance Broking Private Limited
1	The date since when the subsidiary was acquired	August 11, 2017	September 12, 2017	September 21, 2019	April 14, 2022	June 01, 2022
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period					
3	Reporting currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.			Not Applicable		
4	Share Capital (Paid – up)	15,516.00	7.00	3,970.72	486.11	75.00
5	Reserves & surplus	(989.63)	(4.86)	4,029.33	377.16	0.12
6	Total Assets	47,163.16	2.31	26,013.24	907.45	76.67
7	Total Liabilities	32,636.79	0.17	18,013.19	44.18	1.55
8	Investments	954.15	-	2,365.60	-	-
9	Turnover	6,712.05	-	42,723.75	6.66	4.60
10	Profit before tax	150.33	(0.65)	(3,739.72)	(58.36)	3.14
11	Provision for tax	26.60	-	11.06	-	0.79
12	Profit after tax	123.73	(0.65)	(3,750.78)	(58.36)	2.35
13	Proposed dividend	-	-	-	-	-
14	% of shareholding	99.90	100.00	52.50	52.50*	52.50*

*Held through Rapipay Fintech Private Limited

Note:

- Names of subsidiaries which are yet to commence operations: NYE Insurance Broking Private Limited
- Names of subsidiaries which have been liquidated or sold during the year: Nil

Part B: Associates & Joint Ventures:

Credenc Web Technologies Private Limited, which was an associate of the subsidiary of the Company, Capital India Home Loans Limited ("CIHL"), ceased to be an associate of CIHL with effect from May 16, 2023 and therefore also ceased to be associate of the Company.

Further there were no Associates & Joint Ventures of the Company.

For and on behalf of Board of Directors
Capital India Finance Limited

Vinod Somani
Non-Executive Chairman (Independent)
DIN: 00327231

Keshav Porwal
Managing Director
DIN: 06706341

Pinank Jayant Shah
Chief Executive Officer

Vikas Srivastava
Chief Financial Officer

Rachit Malhotra
Chief Compliance Officer & Company Secretary
M. No.: A39894

Annexure II

Particulars of employees for the year ended on March 31, 2024 as required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Name of the Director	Ratio to the median
	Dr. Harsh Kumar Bhanwala	N/A
	Keshav Porwal	88.2
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name of Director/CEO/CS/CFO	% increase
	Dr. Harsh Kumar Bhanwala	NA
	Keshav Porwal	0%
	Pinank Jayant Shah	NA
	Vineet Kumar Saxena	NA
	Rachit Malhotra	0.4%
	Vikas Srivastava	NA
The percentage increase in the median remuneration of employees in the financial year	There is increase in the median remuneration of employees in the financial year.	
The number of permanent employees on the rolls of Company	564 employees as on March 31, 2024	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Percentage increase in the salaries of employees other than KMPs: 14 % Percentage increase in managerial remuneration: 0.4 %	
Affirmation that the remuneration is as per the remuneration policy of the company	Yes, the remuneration paid is as per the remuneration policy of the Company.	

Notes:

- Non-Executive Director and Independent Directors are not paid any commission/remuneration except sitting fees for attending Board meetings of the Company and hence not stated the ratio of remuneration to median remuneration and percentage increase in remuneration.
- NA – KMPs employed for partial year

Annexure III

Annual Report on Corporate Social Responsibility (CSR) Activities of the Company for the financial year 2023-24

1. Brief outline on CSR Policy of the Company:

Capital India Finance Limited has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules), as amended from time to time, which outlines the Company's CSR objectives and its implementation.

The Company is a socially responsible organization which aims to create an empowered, equitable, and sustainable ecosystem. We truly believe that a nation only progresses when all the strata of its society, and all the forces in its environment live together in harmony.

Through our philanthropic arm **ATULYA FOUNDATION**, we reach out to the last mile communities and act as a catalyst in providing access to services & opportunities that help these communities live a prosperous life in a sustainable manner. Our focus areas are- Education, Livelihood, Rural development, Health & Hygiene, Sustainable Environment and Disaster Response.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Yogendra Pal Singh	Chairman	1	1
2.	Mr. Keshav Porwal	Member	1	1
3.	Ms. Rachna Dikshit *	Member	1	1
4.	Ms. Rashmi Fauzdar **	Member	--	--

* Ms. Rachna Dikshit ceased to be a member of the CSR Committee w.e.f. August 08, 2023.

** Ms. Rashmi Fauzdar inducted as a member of the CSR Committee w.e.f. August 24, 2023.

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

a. CSR Policy:

<https://capitalindia.com/uploads/CorporateGovernance/Policy/Policy-on-Corporate-Social-Responsibility-280423.pdf>

b. CSR Projects approved:

<https://capitalindia.com/uploads/CorporateGovernance/Policy/CSR-Action-Plan-2023-24.pdf>

c. Current Composition of CSR Committee:

<https://www.capitalindia.com/investor-corporate-governance>

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5.

- Average net profit of the company as per sub-section (5) of section 135: **INR 2,138.09 Lakhs**
- Two percent of average net profit of the company as per sub-section (5) of section 135: **INR 42.76 Lakhs**
- Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: **NIL**
- Amount required to be set-off for the financial year, if any: **INR 8.42 Lakhs**
- Total CSR obligation for the financial year [(b)+(c)-(d)]: **INR 34.34 Lakhs**

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 40 Lakhs**
- b) Amount spent in Administrative Overheads: **NIL**
- c) Amount spent on Impact Assessment, if applicable: **NA**
- d) Total amount spent for the Financial Year [(a)+(b)+(c)]: **INR 40 Lakhs**
- e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in INR)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
40 Lakhs			NA		

- f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in INR Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	42.76
(ii)	Total amount spent for the Financial Year	48.42*
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	5.66
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	NIL
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	5.66

*Includes excess amount of INR 7.39 Lakhs spent in FY 2021-22 & INR 1.03 lakhs spent in FY 2022-23, against which INR 2.76 Lakhs has been set off in the current financial year.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in INR)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in INR)	Amount Spent in the Financial Year (in INR)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in INR)	Deficiency, if any
					Amount (in INR)	Date of Transfer		
1	FY-1				NA			
2	FY-2				NA			
3	FY-3				NA			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

☐ Yes ☒ No

If Yes, enter the number of Capital assets created/ acquired

Details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					(6)		
(1)	(2)	(3)	(4)	(5)	CSR Registration Number, if applicable	Name	Registered address
							N.A.

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of
Corporate Social Responsibility Committee of Capital India Finance Limited

Yogendra Pal Singh
Independent Director & Chairman of CSR Committee
DIN: 08347484

Keshav Porwal
Managing Director
DIN: 06706341

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended on March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Capital India Finance Limited
(CIN: L74899DL1994PLC128577)
2nd Floor, DLF Centre, Sansad Marg,
Central Delhi, New Delhi - 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Capital India Finance Limited**” (hereinafter called the “**Company**”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i) The Companies Act, 2013 (“**the Act**”) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”);
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d. The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021;
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (**Not Applicable during the Audit Period**);
- h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**Not Applicable during the Audit Period**);
- i. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; and
- j. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) Other laws as applicable to the Company are based on the discussion with the heads of the department:
 - a. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of The Employees State Insurance Act, 1948;
 - b. The Employees Compensation Act, 1923, The Equal Remuneration Act, 1976, and all other allied labour laws;
 - c. Income Tax Act, 1961;
 - d. The Prevention of Money Laundering Act, 2002;
 - e. The Central Goods and Service Tax Act, 2017 and other respective States Goods and Service Tax Acts;

- f. The Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act, 2017;
- g. Delhi Shops and Establishment Act, 1954;
- h. Other State laws on Shops and Commercial Establishments, wherever applicable;
- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- j. Reserve Bank of India Act, 1934, and rules, regulations, circulars, notification issued by Reserve Bank of India, from time to time for Non-Banking Finance Company and Authorised Dealers Category-II.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement entered into by the Company with BSE Limited as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors, Independent Directors and Woman Director. There were changes in the composition of the Board of Directors that took place during the period under review which were carried out in compliance with the provisions of the Act.

Place: New Delhi
Date: May 22, 2024

Note 1: This report is to be read with our letter of even date which is annexed as ‘**ANNEXURE A**’ and forms an integral part of this report.

Adequate notices were given to all Directors/Members to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board and Committees were carried with requisite majority while the views of the dissenting members, wherever any, were captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Chief Compliance Officer & Company Secretary and taken on record by the Board of Directors at their meeting(s), we have an opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period, the Members of the Company have approved the:

- 1. “CIFL Employee Stock Option Plan 2023” (“**ESOP 2023**”/“**Plan**”);
- 2. grant of stock options to or exceeding 1% of issued capital to identified employees during any one year;
- 3. grant of stock options to the employees of holding/ subsidiary/associate/group companies of the Company under “**CIFL Employees Stock Option Plan 2023**”.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No.: A21227
C.P. No.: 8003
PR 1008/2020
UDIN: A021227F000401046

“ANNEXURE A”

To,
The Members,
Capital India Finance Limited
(CIN: L74899DL1994PLC128577)
2nd Floor, DLF Centre, Sansad Marg,
Central Delhi, New Delhi - 110001

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 (“**CSAS**”) prescribed by the Institute of Company Secretaries of India (“**ICSI**”). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management’s Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of our firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No.: A21227
C.P. No.: 8003
PR 1008/2020
UDIN: A021227F000401046

Place: New Delhi
Date: May 22, 2024

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended on March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
2nd Floor, DLF Centre, Sansad Marg,
Central Delhi, New Delhi - 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by “**Capital India Home Loans Limited**” (CIN: **U65990DL2017PLC322041**) (hereinafter called the “**Company**”). Secretarial audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and representations made by the management. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder to the extent applicable on the Company and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i) The Companies Act, 2013 (“**the Act**”) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the rules made thereunder (**Not applicable to the Company during the Audit Period**);
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, **wherever applicable**;
- v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) to the extent applicable;

- vi) I have relied on the representation made by the Company and its officer for system and mechanism framed by the Company for compliances under the following Act, Laws & Regulations of the Company:
- a. Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021;
- b. Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023
- c. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of The Employees State Insurance Act, 1948
- d. The Employees Compensation Act, 1923, The Equal Remuneration Act, 1976, and all other allied Labour laws;
- e. Income Tax Act, 1961;
- f. The Prevention of Money Laundering Act, 2002;
- g. The Goods and Service Tax Act, 2017;
- h. Shops and Establishment Act(s) of various states, as applicable, to the Company;
- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- j. Reserve Bank of India Act, 1934, National Housing Bank Act, 1987 and rules, regulations, circulars, notification issued by Reserve Bank of India and National Housing Bank respectively, from time to time for Housing Finance Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors, Independent Directors and Woman Director. There are changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice were given to all Directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The majority of decisions were carried through with the unanimous consent, therefore dissenting members' views are not required to be captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we have an opinion that there are adequate systems and processes in the Company commensurate

with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period:

- I. The Company has altered the Articles of Association.
- II. Credenc Web Technologies Pvt Ltd ceased to be an associate company w.e.f. 16/05/2023.
- III. The Company has altered the Capital Clause of the Memorandum of Association.
- IV. The Company has allotted 1,00,00,000 (One Crore) equity shares having face value of INR 10 (Indian Rupees Ten only) each at par on right issue basis, for an aggregate consideration of INR 10,00,00,000 (Indian Rupees Ten Crore only) to Capital India Finance Limited, the holding company of the Company.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No.: A21227
C.P. No.: 8003
PR 1008/2020
UDIN: A021227F000292740

Place: New Delhi
Date: May 07, 2024

Note 1: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

"ANNEXURE A"

To,
The Members,
Capital India Home Loans Limited
(CIN: U65990DL2017PLC322041)
2nd Floor, DLF Centre, Sansad Marg,
Central Delhi, New Delhi - 110001

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Place: New Delhi
Date: May 07, 2024

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of my firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No.: A21227
C.P. No.: 8003
PR 1008/2020
UDIN: A021227F000292740

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended on March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Rapipay Fintech Private Limited
(CIN: U72200DL2009PTC189149)
2nd Floor, DLF Centre, Sansad Marg,
Central Delhi, New Delhi – 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **“Rapipay Fintech Private Limited”** (hereinafter called the **“Company”**). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and representations made by the management. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- i) The Companies Act, 2013 (**“the Act”**) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder (**Not applicable to the Company during the Audit Period**);
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- v) Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**“SEBI Act”**) to the extent applicable;

- vi) I have relied on the representation made by the Company and its officer for system and mechanism framed by the Company for compliances under the following Act, Laws & Regulations of the Company:
 - a. The Payment and Settlement Systems Act, 2007;
 - b. Master Direction on Prepaid Payment Instruments, 2021 (PPIs);
 - c. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Provisions of The Employees State Insurance Act, 1948
 - d. The Employees Compensation Act, 1923, The Equal Remuneration Act, 1976, and all other allied Labour laws;
 - e. Income Tax Act, 1961;
 - f. The Prevention of Money Laundering Act, 2002;
 - g. The Central Goods and Service Tax Act, 2017 and the applicable State Goods and Service Tax Act(s);
 - h. Delhi Shops and Establishment Act, 1954;
 - i. Other State laws on Shops and Commercial Establishments, wherever applicable;
 - j. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
 - k. Reserve Bank of India Act, 1934 and rules, regulations, circulars, notification issued by Reserve Bank of India from time to time for Prepaid Instruments Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standard, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors, Independent Directors and Woman Director. There are changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions were carried through with the unanimous consent, therefore dissenting members’ views are not required to be captured and recorded as part of the minutes.

We further report that based on review of compliance mechanism established by the Company and on the basis

of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we have an opinion that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events / actions having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above have occurred in the Company.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No.: A21227
C.P. No.: 8003
PR 1008/2020
UDIN: A021227F000292773

Place: New Delhi
Date: May 08, 2024

Note 1: This report is to be read with our letter of even date which is annexed as **‘ANNEXURE A’** and forms an integral part of this report.

“ANNEXURE A”

To,
The Members,
Rapipay Fintech Private Limited
(CIN: U72200DL2009PTC189149)
2nd Floor, DLF Centre,Sansad Marg,
Central Delhi, New Delhi - 110001

Based on audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the auditing standards CSAS 1 to CSAS 4 (“**CSAS**”) prescribed by the Institute of Company Secretaries of India (“**ICSI**”). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit, including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management’s Representation Letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standard is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The maximum liability of my firm under the secretarial audit in respect of the aggregate of all claims shall not exceed the fee charged by us.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No.: A21227
C.P. No.: 8003
PR 1008/2020
UDIN: A021227F000292773

Place: New Delhi
Date: May 08, 2024

CORPORATE GOVERNANCE REPORT

1. CORPORATE GOVERNANCE PHILOSOPHY

Capital India Finance Limited (“**Company**”) believes in and adhere to good corporate governance practices. The Company’s philosophy is aimed at assisting the management of the Company in the efficient conduct of business and in meeting its obligations towards all its stakeholders.

The Company has framed Guidelines with the objective to put in place a system of rules, practices and processes relating to corporate governance framework within which the Company shall be administered and controlled, so as to balance the interests of stakeholders of the Company and also the community within which it operates. The Guidelines shall ensure that the Company acts in accordance with the highest standards of Corporate Governance in all its activities and that the affairs of the Company are conducted with integrity, fairness, accountability and transparency.

The Company is in compliance with the provisions of Corporate Governance specified under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “**Listing Regulations**”).

2. BOARD OF DIRECTORS

The Company is managed and controlled through a professional and qualified Board of Directors (“**Board**”).

The Board plays a pivotal role in overseeing and protecting the long-term interest of the stakeholders of the Company. The Board provides leadership, strategic guidance, objective and independent views to the Company’s management while discharging its fiduciary responsibilities and ensures high standards of ethics, transparency and disclosures.

As on March 31, 2024, the Board consists of 6 (Six) Directors comprising 1 (One) Executive Director and 5 (Five) Non-Executive Independent Directors. The composition of the Board is in conformity with the Companies Act, 2013 and rules made thereunder (hereinafter referred to as the “**Act**”) and the Listing Regulations, having optimum combination of executive and non-executive independent directors with at least one woman director.

During the period under review, 6 (Six) meetings of the Board were held on April 28, 2023, May 11, 2023, August 09, 2023, November 08, 2023, November 17, 2023, and February 10, 2024.

The attendance of the members of the Board at the Board Meetings and the last Annual General Meeting held during the period under review, shareholding in the Company and position held in Board/Board committees of other companies, is as follows:

Sr. No.	Name, Designation and DIN of Director	No. of Board meetings held during the tenure of director/ financial year 2023-24	No. of Board meetings attended during the financial year 2023-24	Whether attended the last Annual General Meeting of the Company held on September 21, 2023	Shareholding in the Company as on March 31, 2024	Number of Directorships in other Companies as on March 31, 2024 ¹	No. of Committee position held in other public Companies as on March 31, 2024 ²		Names of the other listed entities where the director is a director and the category of directorship
							Membership	Chairmanship	
1.	Mr. Keshav Porwal (Managing Director) (06706341)	6	6	Yes	Nil	1	1	Nil	Nil
2.	Mr. Vinod Somani (Non-Executive Chairman - Independent) (00327231)	6	6	Yes	Nil	1	1	1	Nil
3.	Mr. Yogendra Pal Singh (Independent Director) (08347484)	6	6	Yes	Nil	1	1	Nil	Nil
4.	Ms. Rashmi Fauzdar (Independent Woman Director) (07599221) ³	3	3	Yes	Nil	1	Nil	Nil	Nil

Sr. No.	Name, Designation and DIN of Director	No. of Board meetings held during the tenure of director/ financial year 2023-24	No. of Board meetings attended during the financial year 2023-24	Whether attended the last Annual General Meeting of the Company held on September 21, 2023	Shareholding in the Company as on March 31, 2024	Number of Directorships in other Companies as on March 31, 2024 ¹	No. of Committee position held in other public Companies as on March 31, 2024 ²		Names of the other listed entities where the director is a director and the category of directorship
							Membership	Chairmanship	
5.	Mr. Subhash Chander Kalia (Independent Director) (00075644)	6	6	Yes	Nil	3	2	1	PNC Infratech Limited, Bharat Wire Ropes Limited, Share India Securities Limited (Independent Director)
6.	Ms. Jyuthika Mahendra Jivani (Additional - Independent Woman Director) (10558392) ⁴	Nil	NA	NA	Nil	Nil	Nil	Nil	Nil
7.	Dr. Harsh Kumar Bhanwala (Executive Chairman) (06417704) ⁵	5	5	Yes	Nil	NA	NA	NA	NA
8.	Ms. Rachna Dikshit (Independent Woman Director) (08759332) ⁶	2	2	NA	Nil	NA	NA	NA	NA

Inter-se relationship among Directors

None of the Directors are in any way related to each other.

Key Board skills/expertise/competencies

Your Board is skill-based comprising of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organization. The

Company has identified the key skills on the basis of the business, the industry wherein the Company operates and the Policy on Compensation of the directors, key managerial personnel and other employees. The Directors are persons of eminence in areas such as business, industry, finance, law, administration, economics etc. and bring with them experience and skills which add value to the performance of the Board.

The Directors of the Company and the Board as a whole possess such skills and knowledge as outlined below:

Core Skills / Expertise / Competencies	KP	VS	YPS	RF	SCK	JMJ
Leadership experience and ability in inspiring, motivating other officials together with practical understanding of the business of the Company.	✓					
Experience and ability to identify opportunities and threats to the Company and to develop strategies, <i>inter-alia</i> to grow revenue and market share, build brand awareness and equity.	✓					
Strong understanding of corporate finance, accounts and performance management principles.	✓	✓	✓	✓	✓	✓
Familiarity with diverse business functions such as finance, risk, investment, etc.	✓	✓	✓	✓	✓	✓
Experience and ability to acknowledge corporate governance and best management practices.	✓	✓	✓	✓	✓	✓
An entrepreneurial mindset with outstanding organizational and leadership skills.	✓	✓	✓	✓	✓	✓
Analytical abilities and problem-solving skills.	✓	✓	✓	✓	✓	✓
Excellent communication and public speaking skills.	✓	✓	✓	✓	✓	✓
Experience in identifying key risks to the Company related to each key area of operations, the ability to monitor risk, compliance and knowledge of legal and regulatory requirements that are applicable to the Company.	✓	✓	✓	✓	✓	✓

Core Skills / Expertise / Competencies	KP	VS	YPS	RF	SCK	JMJ
Experience and stature necessary to be highly effective, working with other members of the Board in serving the long-term interests of shareholders.	✓	✓	✓	✓	✓	✓
Ability and willingness to devote sufficient time to the affairs of the Board and the Company and to carry out their duties effectively.	✓	✓	✓	✓	✓	✓
Mr. Keshav Porwal – KP , Mr. Vinod Somani – VS , Mr. Yogendra Pal Singh – YPS , Ms. Rashmi Fauzdar – RF , Mr. Subhash Chander Kalia – SCK , Ms. Jyuthika Mahendra Jivani – JMJ						

Confirmation of Independence from Independent Director

During the period under review, all the Independent Directors have confirmed and submitted a declaration to the effect that they meet the criteria of independence as laid down under the Act and the Listing Regulations.

The Independent Directors have also submitted a declaration that they have registered themselves with the Indian Institute of Corporate Affairs for inclusion of their name in the Data Bank as required under rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Based on the disclosures received from all the Independent Directors, your Board confirms that, in its opinion, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

Change in Independent Director

During the period under review, following changes were there in the Independent Directors of the Company:

- a. Ms. Rachna Dikshit ceased to be associated with the Company w.e.f. August 08, 2023.
- b. Ms. Rashmi Fauzdar was appointed as an Independent Woman Director w.e.f. August 24, 2023.
- c. Ms. Jyuthika Mahendra Jivani was inducted as an Additional Independent Woman Director w.e.f. March 20, 2024.

Familiarization Programme for Independent Directors

All Independent Directors are familiarized periodically inter-alia with their roles, rights, and responsibilities in the Company, business model of the Company, corporate governance practices, financials, business operations and other information including those pertaining to changes in statutes/legislations and economic environment and on matters affecting the Company, to enable them to take well-informed and timely decisions.

The details of familiarization programme in terms of Regulation 25(7) of the Listing Regulations, is uploaded on the website of the Company and can be accessed at www.capitalindia.com.

Board Functioning and Procedure

Adequate notice is given to all Directors/Members of the Board/Committees for the Board/Committee Meetings regarding the schedule of meetings. A detailed agenda is sent in advance to all the Directors/Members of Board/Committees to enable the Board/Committees to take informed decisions at the meetings.

The Company has a well-established framework for the meetings of the Board and its Committees which seeks to systematize the decision-making process at the Board and Committee meetings in an informed and efficient manner. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation during the meeting. The Members of the Board/Committees express their opinion and decisions taken based on the consensus arrived at, after detailed discussion/deliberation at the Board/Committee Meeting and the same is accordingly recorded in the minutes of the meetings.

3. COMMITTEES OF THE BOARD

The Board Committees play a vital role in strengthening Corporate Governance practices and focus effectively on the issues and ensure expedient resolution on the diverse matters. The Company's guidelines relating to the Board meetings are also applicable to all the Committee meetings. The composition and terms of reference of all the Committees are in compliance with the applicable provisions of the Act, the Listing Regulations and other applicable directions/ circulars/ guidelines issued by the RBI, from time to time. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning. Minutes of the Committee meetings are circulated to the respective Committee members and placed before the Board meetings for its noting. The composition of all the Committees is given below:

a. Audit Committee

The Audit Committee has been constituted in terms of the provisions of Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of the Listing Regulations, to provide assistance

to the Board of Directors in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company. The Chief Compliance Officer & Company Secretary of the Company acts as the Secretary to the Audit Committee.

The attendance of the members of the Audit Committee at the meetings held during the period under review, is as follows:

Name of Member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2023-24	No. of Committee meetings attended during the financial year 2023-24
Mr. Vinod Somani	Chairman	Independent Director	5	5
Mr. Yogendra Pal Singh	Member	Independent Director	5	5
Mr. Subhash Chander Kalia	Member	Independent Director	5	5
Ms. Rashmi Fauzdar ⁷	Member	Independent Woman Director	2	2
Ms. Jyuthika Mahendra Jivani ⁸	Member	Additional Independent Woman Director	-	-
Ms. Rachna Dikshit ⁹	Member	Independent Woman Director	2	2

The requisite quorum was present in all the meetings held during the year.

The composition of the Audit Committee as on the date of this report is as detailed under:

Name of Member	Designation in Committee	Category
Mr. Vinod Somani	Chairman	Independent Director
Mr. Yogendra Pal Singh	Member	Independent Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director
Mr. Subhash Chander Kalia	Member	Independent Director
Ms. Jyuthika Mahendra Jivani	Member	Additional Independent Woman Director

Terms of Reference

The terms of reference of the Audit Committee of the Board includes the following:

- To approve the remuneration and terms of appointment of auditors of the company;
- To review and monitor the auditor's independence and performance, and effectiveness of audit process;
- To do examination of the financial statement and the auditors' report thereon;
- To approve or make subsequent modification of transactions of the company with related parties;
- To make scrutiny of inter-corporate loans and investments;
- To review valuation of undertakings or assets of the Company, wherever it is necessary;

Meetings

During the period under review, 5 (Five) meetings of the Audit Committee were held on April 28, 2023, May 11, 2023, August 09, 2023, November 08, 2023, and February 10, 2024. The intervening period between Audit Committee Meetings was within the maximum time gap prescribed under the Act and the Listing Regulations.

- To do evaluation of internal financial controls and risk management systems;
- To monitor the end use of funds raised through public offers and related matters;
- To oversee the vigil mechanism established by the Company for Directors and employees to report genuine concerns.
- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice;
- To secure attendance of outsiders with relevant expertise, if it considers necessary;
- Oversight of the company's financial reporting process and the disclosure of its financial

information to ensure that the financial statement is correct, sufficient and credible;

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions;
- Qualifications in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the

department, reporting structure coverage and frequency of internal audit;

- Discussion with the internal auditors on any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- to consider and comment on:
 - rationale,
 - cost-benefits, and
 - impact on the listed entity and its shareholders of schemes involving merger, demerger, amalgamation etc.; and
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b. Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") has been constituted in terms of the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations. The Chief Compliance Officer & Company Secretary of the Company acts as the Secretary to the NRC.

Meetings

During the period under review, 4 (Four) meeting of the NRC were held on April 26, 2023, May 11, 2023, July 05, 2023 and November 02, 2023.

The attendance of the members of the NRC at their meeting held during the period under review, is as follows:

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2023-24	No. of Committee meetings attended during the financial year 2023-24
Mr. Vinod Somani ¹⁰	Chairman	Independent Director	4	4
Mr. Yogendra Pal Singh ¹⁰	Member	Independent Director	4	4
Ms. Rachna Dikshit ¹¹	Member	Independent Woman Director	3	3
Ms. Rashmi Fauzdar ¹²	Member	Independent Woman Director	1	1

The necessary quorum was present for the meetings held during the year.

The composition of the NRC as on the date of this report is as detailed under:

Name of Member	Designation in Committee	Category
Mr. Yogendra Pal Singh	Chairman	Independent Director
Mr. Vinod Somani	Member	Independent Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director

Terms of Reference

The terms of reference of the NRC includes the following:

- identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment & removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- formulate the criteria for determining qualifications, positive attributes and independence of a Director, recommend to the Board a policy, relating to the remuneration for the directors, Key Management Personnel and other employees.

While formulating the policy under sub-section (3) of section 178 of the Companies Act, 2013 ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

- remuneration to Directors, Key Management Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

- devising a policy on diversity of Board of Directors.
- evaluation of the balance of skills, knowledge and experience for every appointment of an independent director on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates.

- decide on extending or continuing the term of appointment of Independent Director, based on the report of performance evaluation of Independent Directors.

- recommend to the Board, all the remuneration, in whatever form payable to Senior Management.
- review the appropriateness and relevance of the remuneration policy.
- ensure that all provision regarding disclosures of remuneration are fulfilled.
- ensure that no director, executive or other employee is involved in any decision as to their own remuneration.
- formulate the Company's Employee Stock Option Scheme(s) or other incentive schemes (if any) as applicable, approve grant of options and make amendments to terms of such schemes.

Annual Performance Evaluation

Pursuant to the provisions of the Act read with the rules made thereunder, Listing Regulations and Performance Evaluation Policy ("PEP") of the Company, the Board and the NRC, has carried out a formal evaluation of the performance of the Board, its Committees and individual Directors, including Independent Directors. The Independent Directors' performance evaluation was carried out by the entire Board excluding the Director being evaluated. Further, the Independent Directors in their separate meeting held, reviewed the

performance of Non-Independent Directors, the Board as a whole and Chairman of the Board after taking into account the views of Executive Director and other Non-Executive Directors.

The evaluation has been carried out through a questionnaire, as provided in the PEP, covering various aspects of the functioning of the Board, its Committees and performance of the Directors, such as, adequacy of the constitution and composition of the Board and its Committees, discharge of roles and responsibilities by the Board, its Committees and Directors, frequency of the meetings, attendance, regulatory compliances and corporate governance. The individual Directors and members of the Board and its Committees had submitted their response on a scale of 1 (strongly disagree) – 5 (strongly agree) for evaluating the Board as a whole, Committees of the Board and of their peer Board members, including Chairman of the Board.

c. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted in terms of the provisions of Section 178 of the Act and the applicable provisions of the Listing Regulations. The Chief Compliance Officer & Company Secretary of the Company acts as the Secretary to the Stakeholders Relationship Committee.

S. No.	Particulars	Details
i.	Name of Non-Executive Director heading the Stakeholders Relationship Committee	Mr. Vinod Somani, Non-Executive Chairman (Independent)
ii.	Name and designation of the Compliance Officer	Mr. Rachit Malhotra, Chief Compliance Officer & Company Secretary
iii.	Number of shareholders' complaints received during the financial year	23 (Twenty-Three) shareholder's complaints were received during the financial year 2023-24
iv.	Number of complaints not resolved to the satisfaction of shareholders	All the complaints were resolved to the satisfaction of the shareholders.
v.	Number of pending complaints	No complaints were pending unresolved as on March 31, 2024.

Meetings

During the period under review, 1 (one) meeting of the Stakeholders Relationship Committee was held on April 10, 2023.

The attendance of the members of the Stakeholders Relationship Committee at their meeting held during the period under review, is as follows:

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2023-24	No. of Committee meetings attended during the financial year 2023-24
Mr. Vinod Somani	Chairman	Independent Director	1	1
Mr. Yogendra Pal Singh	Member	Independent Director	1	1
Ms. Rachna Dikshit ¹³	Member	Independent Woman Director	1	1
Ms. Rashmi Fauzdar ¹⁴	Member	Independent Woman Director	-	-

The necessary quorum was present for the meeting held during the year.

The composition of the Stakeholders Relationship Committee as on the date of this report is as detailed under:

Name of Member	Designation in Committee	Category
Mr. Vinod Somani	Chairman	Independent Director
Mr. Yogendra Pal Singh	Member	Independent Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director

Terms of Reference

The terms of reference of the Stakeholders Relationship Committee of the Board includes the following:

- To take note of transfer and transmission of shares;
- To approve requests of shareholders for dematerialization, re-materialisation of shares, issue or split of shares, consolidation of shares and issue of duplicate share certificates;
- To look after the grievances of the security holders of the listed entity including but not limited to complaints related to:
 - Transfer of shares;

b. Non-receipt of annual report; and

c. Non-receipt of declared dividends.

4. To ensure expeditious redressal of investor complaints received through SCORES and other mediums; and

5. To ensure periodical reporting of investor grievances in the prescribed manner from time to time.

d. Corporate Social Responsibility Committee

In compliance with Section 135 of the Act, the Company has duly constituted Corporate Social Responsibility ("CSR") Committee. The Chief Compliance Officer & Company Secretary of the Company acts as the Secretary to the CSR Committee.

Meetings

During the period under review, 1 (one) meeting of the CSR Committee was held on April 10, 2023.

The attendance of the members of the CSR Committee at their meeting held during the period under review, is as follows:

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2023-24	No. of Committee meetings attended during the financial year 2023-24
Mr. Yogendra Pal Singh	Chairman	Independent Director	1	1
Mr. Keshav Porwal	Member	Managing Director	1	1
Ms. Rachna Dikshit ¹⁵	Member	Independent Woman Director	1	1
Ms. Rashmi Fauzdar ¹⁶	Member	Independent Woman Director	-	-

The necessary quorum was present for the meeting held during the year.

The composition of the CSR Committee as on the date of this Report is as detailed under:

Name of Member	Designation in Committee	Category
Mr. Yogendra Pal Singh	Chairman	Independent Director
Mr. Keshav Porwal	Member	Managing Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director

Terms of Reference

The terms of reference of the CSR Committee of the Board includes the following:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject, specified in Schedule VII to the Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the Corporate Social Responsibility Policy of the Company from time to time; and
- any other matter(s) in relation to above which the Committee deems fit and which is not reserved to be approved by the Board

Meetings

During the period under review, 5 (Five) meetings of the RMC were held on April 26, 2023, July 24, 2023, September 27, 2023, November 08, 2023 and February 09, 2024.

The attendance of the members of the RMC at their meeting held during the period under review, is as follows:

Name of the member	Designation in Committee	Category	No. of Committee meetings held during the tenure of member/ financial year 2023-24	No. of Committee meetings attended during the financial year 2023-24
Dr. Harsh Kumar Bhanwala ¹⁷	Chairman	Executive Chairman	4	4
Mr. Vinod Somani ¹⁸	Chairman	Non-Executive Chairman (Independent)	1	1
Mr. Keshav Porwal	Member	Managing Director	5	5
Mr. Subhash Chander Kalia	Member	Independent Director	5	5
Ms. Rachna Dikshit ¹⁹	Member	Independent Woman Director	2	2
Ms. Rashmi Fauzdar ²⁰	Member	Independent Woman Director	3	3

The necessary quorum was present for all the meetings held during the year.

The composition of the RMC as on the date of this Report is as detailed under:

Name of Member	Designation in Committee	Category
Mr. Vinod Somani	Chairman	Non-Executive Chairman (Independent)
Mr. Keshav Porwal	Member	Managing Director
Ms. Rashmi Fauzdar	Member	Independent Woman Director
Mr. Subhash Chander Kalia	Member	Independent Director

under the Companies Act, 2013 or any other applicable law, for the time being in force.

The CSR activities undertaken by the Company are in line with the CSR Policy of the Company and are pursuant to Section 135 and Schedule VII of the Companies Act, 2013. The CSR Policy detailing the summary of CSR activities along with relevant details is accessible at Company's website at www.capitalindia.com.

e. Risk Management Committee

The Company has constituted a Risk Management Committee ("RMC"). The RMC has a Policy in place that is intended to ensure that an effective Risk Management framework is established and implemented within the organisation. The RMC looks into various risks which may impact the Company's ability to achieve its strategy, objectives and results.

Terms of Reference of RMC

1. To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer.

f. Other Committees of the Board

Apart from the above Committees, the Board also has following Committees:

- (a) Investment Committee;
- (b) Asset-Liability Committee;
- (c) IT Strategy Committee;
- (d) Credit Committee;
- (e) Securities Issuance Committee;
- (f) Write-off and Settlement Committee; and
- (g) Management Committee.

The Composition of the above Committees and the details of meeting held along with the attendance of Members is as under:

Composition as on March 31, 2024

S. No.	Name of Committee	Composition	Designation in the Committee
1	Investment Committee	Mr. Vinod Somani	Chairman
		Mr. Keshav Porwal	Member
		Mr. Pinank Jayant Shah	
2	Asset-Liability Committee	Mr. Vinod Somani	Chairman
		Ms. Rashmi Fauzdar	Member
		Mr. Keshav Porwal	
		Mr. Pinank Jayant Shah	
		Mr. Vikas Srivastava	
3	IT Strategy Committee	Mr. Chetan Bafna	Member
		Mr. Yogendra Pal Singh	
		Mr. Vinod Somani	
		Ms. Rekha Kashyap	
		Mr. Keshav Porwal	
		Mr. Pinank Jayant Shah	
		Mr. V P Ravindran Menon	
4	Credit Committee	Mr. Piyush Mistry	Chairman
		Mr. Vinod Somani	
		Mr. Keshav Porwal	
		Mr. Pinank Jayant Shah	Member
5	Securities Issuance Committee	Mr. Chetan Bafna	
		Mr. Vinod Somani	Chairman
		Mr. Keshav Porwal	Member
		Mr. Pinank Jayant Shah	

S. No.	Name of Committee	Composition	Designation in the Committee
6	Write-off and Settlement Committee	Mr. Yogendra Pal Singh	Chairman
		Mr. Vikas Srivastava	Member
		Mr. Dilbag Dahiya	
7	Management Committee	Mr. Keshav Porwal	Chairman
		Mr. Pinank Jayant Shah	Member
		Mr. V P Ravindran Menon	

Meetings

S. No.	Name of Committee	No. of Meetings	Date of Meetings
1	Investment Committee (IC)	5	April 17, 2023
			August 01, 2023
			November 01, 2023
			January 22, 2024
			March 27, 2024
2	Asset-Liability Committee (ALCO)	4	April 26, 2023
			July 24, 2023
			November 08, 2023
			February 08, 2024
3	IT Strategy Committee (IT)	3	April 10, 2023
			October 03, 2023
			February 08, 2024
4	Credit Committee (CC)	1	July 13, 2023
5	Securities Issuance Committee (SIC)	--	--
6	Write-off and Settlement Committee (WOSC)	--	--
7	Management Committee (MC)	24	April 26, 2023
			May 04, 2023
			May 31, 2023
			June 23, 2023
			June 27, 2023
			June 29, 2023
			July 07, 2023
			July 17, 2023
			July 31, 2023
			August 30, 2023
			September 05, 2023
			September 21, 2023
			September 30, 2023
			November 07, 2023
			December 04, 2023
			December 26, 2023
			January 31, 2024
			February 12, 2024
			February 29, 2024
			March 12, 2024
			March 18, 2024
			March 26, 2024
			March 27, 2024
			March 28, 2024

Members Attendance in the above Committees

Name of Director/ Member	IC	ALCO	IT	CC	SIC	WOSC	MC
Mr. Keshav Porwal ²¹	5/5	4/4	0/1	1/1	-	-	24/24
Mr. Vinod Somani ²²	1/1	4/4	1/1	0/1	-	-	-
Mr. Yogendra Pal Singh	-	-	3/3	-	-	-	-
Ms. Rashmi Fauzdar ²³	-	2/2	-	-	-	-	-
Mr. Pinank Jayant Shah ²⁴	3/3	2/2	2/2	-	-	-	15/15
Mr. Ravindran Menon ²⁵	-	-	1/1	-	-	-	8/8
Ms. Rekha Kashyap	-	-	2/3	-	-	-	-
Mr. Vikas Srivastava	-	4/4	-	-	-	-	-
Mr. Piyush Mistry	-	-	3/3	-	-	-	-
Mr. Chetan Bafna ²⁶	-	3/3	-	1/1	-	-	-
Mr. Mayank Bhateja	-	-	-	0/1	-	-	-
Mr. Vineet Kumar Saxena ²⁷	1/2	1/2	1/1	-	-	-	1/9
Dr. Harsh Kumar Bhanwala ²⁸	3/4	3/3	-	-	-	-	15/16

4. REMUNERATION PAID TO DIRECTORS

Details of remuneration paid to all the Directors of the Company for the Financial Year 2023-24 is as under:

(INR in Lakhs)

Sr. No	Name	Sitting Fees	Salary	Perquisites and Benefits	Details of Stock options	Shares in profit/ Incentive	Total
1.	Dr. Harsh Kumar Bhanwala	-	164.03	21.46	-	-	185.49
2.	Mr. Vinod Somani	12.65	-	-	-	-	12.65
3.	Mr. Yogendra Pal Singh	11.60	-	-	-	-	11.60
4.	Ms. Rachna Dikshit	5.50	-	-	-	-	5.50
5.	Mr. Subhash Chander Kalia	10.20	-	-	-	-	10.20
6.	Mr. Keshav Porwal	-	250.00	0.96	-	-	250.96
7.	Ms. Rashmi Fauzdar	6.15	-	-	-	-	6.15
8.	Ms. Jyuthika Mahendra Jivani	-	-	-	-	-	-

Notes:

- a) Salary and perquisites include all elements of remuneration i.e. salary, reimbursement and other allowances and benefits including employer's provident fund contribution and perquisite value.

Tenure of Service of Executive Directors

Sr. No.	Name & Designation of Executive Director	Period of appointment	Date of appointment	Notice period
1.	Dr. Harsh Kumar Bhanwala, Executive Chairman ²⁹	3 years	August 6, 2023	3 Calendar months
2.	Mr. Keshav Porwal, Managing Director	3 years	November 27, 2022	3 Calendar months

Appointment of Executive Directors are governed by the resolution passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment, read with the service rules of the Company. There is no separate provision for payment of severance fee under the resolution(s) governing the appointment of Executive Directors. The remuneration paid to Executive Directors of the Company are approved by the Shareholders of the Company upon the recommendation of the Nomination & Remuneration Committee and the Board. The Company's remuneration strategy is market driven and aims at attracting and retaining high caliber talent. The strategy is in consonance with existing industry practice and is directed towards rewarding performance, based on review of achievements on periodical basis.

- b) During the period under review, there were no other pecuniary relationships or transactions with Independent Directors of the Company.
- c) The Company has not granted any stock options to its Independent Directors.

5. GENERAL BODY MEETINGS**a. Annual General Meeting ("AGM")**

The location, date and time of the AGMs held during last 3 years along with Special Resolution(s) passed thereat are as follows:

Sr. No.	Year of AGM	Place	Date & Time	Brief description of Special Resolution(s) passed, if any
1.	2023		September 21, 2023 9:30 A.M.	re-appointment of Dr. Harsh Kumar Bhanwala (DIN: 06417704) as Executive Chairman of the Company for a period of 3 (Three) years; appointment of Ms. Rashmi Fauzdar (DIN: 07599221) as an Independent Woman Director of the Company for a period of 5 (Five) consecutive years.
2.	2022	Video Conferencing/ Other Audio Visual Means	September 23, 2022 9:30 A.M.	re-appointment of Mr. Vinod Somani (DIN: 00327231) as an Independent Director of the Company for a second term of 5 (Five) consecutive years; re-appointment of Mr. Keshav Porwal (DIN: 06706341) as Managing Director of the Company for a period of 3 (Three) years; and approval for raising of funds by way of issuance of debt securities.
3.	2021		September 28, 2021 10:30 A.M.	alteration in Memorandum of Association of the Company to amend the Object Clause.

b. Extra-ordinary General Meeting

No Extra-ordinary General Meeting was held during the financial year ended on March 31, 2024.

c. Postal Ballot

The Company had sought the approval of the shareholders by way of a special resolutions passed through postal ballot on December 09, 2023, to approve the following resolutions:

- Re-appointment of Mr. Yogendra Pal Singh (DIN: 08347484) as a Non-Executive Independent Director for a second term of 5 (five) consecutive years;
- Approval of 'CIFL Employee Stock Option Plan 2023' ("ESOP 2023"/"Plan");
- Approval for grant of stock options equal to or exceeding 1% of issued capital to identified employees during any one year;
- Approval for grant of stock options to the employees of holding/subsidiary/associate/group company(ies) of the Company under 'CIFL Employee Stock Option Plan 2023'.

6. MEANS OF COMMUNICATION

Information like quarterly / half yearly / annual financial results and press releases on significant developments in the Company that have been made available from time to time, to the press are hosted on the Website of the Company at www.capitalindia.com and have also been submitted to BSE Limited, the stock exchange

where the securities of the Company are listed. The extract of quarterly, half yearly & annual financial results and other statutory information were communicated to the shareholders generally by way of publication in newspapers viz. Jansatta (Hindi) and Financial Express (English). Moreover, a report on Management Discussion and Analysis has been given elsewhere in this report. The Company electronically files all reports / information including results, shareholding pattern and corporate governance report, at BSE's website (www.listing.bseindia.com).

7. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and accordingly pursuant to the provisions of Section 177(9) & (10) of the Act, read with the rules made thereunder and pursuant to the provisions of Listing Regulations, and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations") the Company has established and implemented a Vigil Mechanism within the Company to be known as the 'Vigil Mechanism / Whistle Blower Policy' for its Directors and employees, to report instances of unethical behaviour and actual or suspected fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of the whistle blower who avails the mechanism and provides direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

Accordingly, the Vigil Mechanism / Whistle Blower Policy has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Vigilance and Ethics Officer or the Chairman of the Audit Committee of the Company.

The purpose of this policy is to provide a framework in order to promote responsible and secure whistle blowing. It protects employees willing to raise a concern about serious irregularities within the Company.

During the period under review, no complaint of unethical or improper activity was reported to the Company. None of the person has been denied access to the Audit Committee.

8. CODE OF CONDUCT

The commitment to ethical professional conduct is a must for every employee including members of the Board and senior management personnel of the Company. The Code of Conduct is intended to serve as a basis for ethical decision making in conduct of professional work. The Code of Conduct enjoins that every individual in the organisation must know and respect existing laws, accept and provide appropriate professional views and be upright in his conduct and observe corporate discipline. The Code of Conduct is available on the website of the Company at www.capitalindia.com. All the members of the Board and Senior Management Personnel affirm compliances with the Code of Conduct annually. Declaration signed by the Managing Director to this effect, is as under:

I hereby declare that all the members of the Board and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the financial year ended on March 31, 2024.

For and on behalf of the Board of
Capital India Finance Limited

Keshav Porwal
Managing Director

9. COMPLIANCE CERTIFICATE FROM THE PRACTICING COMPANY SECRETARY

A certificate from M/s Arun Gupta & Associates, Company Secretaries, certifying the Company's compliance with the provisions of Corporate Governance as stipulated in Regulation 34(3) read with Schedule V to the Listing Regulations, is appended herewith and forms part of this Report.

10. DISCRETIONARY REQUIREMENTS

A) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer

The Company has appointed separate persons to the post of Chairperson, Managing Director and

the Chief Executive Officer of the Company. As on March 31, 2024, the position is as under:

S. No.	Name	Designation
1.	Mr. Vinod Somani	Non-Executive Chairman (Independent)
2.	Mr. Keshav Porwal	Managing Director
3.	Mr. Pinank Jayant Shah	Chief Executive Officer

B) Unqualified financial statements

The Auditors' Report on the Audited Annual Accounts of the Company does not contain any qualification from the Statutory Auditors, and it shall be the endeavor of the Company to continue the trend by building up accounting systems and controls which ensure complete adherence to the applicable accounting standards and practices obviating the possibility of the Auditors' qualifying their report as to the Audited Accounts.

C) Reporting of Internal Auditor

The Internal Auditors of the Company reports directly to the Audit Committee.

11. GENERAL SHAREHOLDERS INFORMATION

A) Company Registration Details

The Corporate Identity Number (CIN) of the Company is L74899DL1994PLC128577.

B) Annual General Meeting

Date & Day	Thursday, September 26, 2024
Time	11:00 A.M.
Venue	VC/OAVM

C) Financial Year

The financial year of the Company is a period of twelve months beginning on 1st April every calendar year and ending on 31st March the following calendar year.

D) Dividend and its Payment

Dividend of Re 0.10 per share (previous year Re. 0.10 per share) amounting to INR 77.73 lakhs (previous year INR 77.73 lakhs) is proposed on the Equity Shares of the Company having face value of INR 10 (Indian Rupees Ten only) each. The recommended dividend will be accounted for, when approved by the shareholders at this AGM. Date of payment of dividend would be within 30 days from the date of AGM.

E) Share Transfer System

Trading in equity shares of the Company through recognized Stock Exchanges can be done only in dematerialized form. As per Regulation 40 of the Listing Regulations, requests for effecting transfer of securities shall not be processed unless the securities are held in demat form with a depository. The Company obtains a yearly certificate from a Company Secretary in practice in respect of the share transfers as required under Regulation 40(9) of Listing Regulations and files a copy of the said certificate with the stock exchange, where the shares of the Company are listed.

F) Listing of Securities on Stock Exchange & Payment of Listing Fees

The Company's Equity Shares are listed at BSE Limited ("BSE"), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001

I) Distribution of Shareholding

The shareholding distribution of equity shares as on March 31, 2024, is given hereunder:

Shareholding between	No. of shareholders	% of Total	Total Shares	Amount (INR in Lakhs)	% of Amount
1 to 10,000	1,342	98.24	4,00,619	40,06,190	0.52
10,001 to 20,000	6	0.44	87,783	8,77,830	0.11
20,001 & above	18	1.32	7,72,45,858	77,24,58,580	99.37
Total	1,366	100.00	7,77,34,260	77,73,42,600	100.00

J) Dematerialisation of Shares and Liquidity

As on March 31, 2024, the number of equity shares held in dematerialised form was 7,75,50,320 (99.76%) and in physical form was 1,83,940 (0.24%) of the total equity share capital of the Company. To enable us to serve the shareholders better, we request our shareholders whose shares are in physical mode to get their shares dematerialised and update their bank accounts and email ids with respective DPs. The Company does not have any GDRs/ADRs or any Convertible instruments having any impact on equity.

K) Compliances under Listing Regulations

The Company is regularly complying with the Listing Regulations and all information, certificates and returns as required under the applicable provisions of the Listing Regulations have been submitted to the stock exchange, where the shares of the Company are listed, within the prescribed time.

L) CEO & CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the Chief Executive Officer and the Chief Financial Officer of the Company have given

Annual Listing Fees for the financial year 2023-24 have been duly paid to BSE.

G) Registrar and Share Transfer Agent

Shareholders may correspond with the Registrar & Share Transfer Agent at the following address for all matters related to securities of the Company:

KFin Technologies Limited

Selenium Building, Tower B, Plot 31-32,
Financial District Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana 500 032
Toll Free No.: 1800-309-4001
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

H) Scrip code

Equity Shares: 530879

compliance certificate stating therein matters prescribed under Part B of Schedule II to the Listing Regulations.

M) Information on Deviation from Accounting Standards

There has been no deviation from the Accounting Standards in preparation of the Annual Financial Statements of the Company for the financial year 2023-24.

N) Investor Correspondence

The investors may contact the Chief Compliance Officer & Company Secretary of the Company at the Registered Office of the Company or may send an e-mail at secretarial@capitalindia.com.

During the year ended on March 31, 2024, the Company has resolved investors complaints satisfactorily. There was no pending investor complaint as on March 31, 2024.

O) Commodity price risk or foreign exchange risk and hedging risk

The Company does not have any exposure to commodity price risks during the financial year ended on March 31, 2024.

P) Plant location

In view of the nature of the Company's business viz. Non-Banking Financial Services and activities of Authorised Dealer Category-II, the Company carries its business activities from various branch offices in India.

Q) Address for Correspondence

The address of the Registered Office and the Corporate Office of the Company are mentioned in the Corporate Information section of this Annual Report.

R) Disclosures

- a) The Company has, except stated elsewhere in the Annual Report, not entered into any materially significant related party transactions which have potential conflict with the interest of the Company at large. Your Board, on the recommendation of the Audit Committee, had approved a Policy on Related Party Transactions. The policy can be accessed from the Website of the Company at www.capitalindia.com.
- b) The Company has complied with the requirements of the Stock Exchange(s), Securities and Exchange Board of India ("SEBI") and other statutory authorities on all matters relating to capital markets during the last three years. During the period under review, No penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or other statutory authorities relating to the above.
- c) Your Board had approved a Policy for determining material subsidiaries. The policy can be accessed from the Website of the Company at www.capitalindia.com.
- d) The Company has obtained a certificate from M/s Arun Gupta & Associates, Company Secretaries, to the effect that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/the Ministry of Corporate Affairs or any such statutory authority(ies).
- e) Your Board had accepted all the necessary recommendations of the Committee(s) of the Board during the financial year ended on March 31, 2024.

- f) The details of the total fees paid during the financial year 2023-24, for the services availed by the Company, to Singhi & Co. Chartered Accountants, the Statutory Auditors of the Company, and all entities in the network firm/ network entity of which the Statutory Auditors are part of, are provided below:

(INR in Lakhs)	
Name of the Statutory Auditors	Singhi & Co.
Auditor's remuneration (net of GST credit availed)	
Audit fees	20.71
Taxation matters (Tax audit fees)	1.65
Certification & other services	3.96
Total	26.32

- g) The Company has framed a Policy on Prevention of Sexual Harassment at Workplace in accordance with the applicable laws for all employees of the Company to inter alia ensure that the employees are not subject to any form of sexual harassment and to constitute the Internal Complaints Committee. Your Company is fully committed to protect the rights of all women, of any age, whether employed or not, who alleges to have been subjected to any act of sexual harassment within the Company's premises. Your Company provides a safe and healthy work environment. There were no cases of sexual harassment reported during the year ended on March 31, 2024.
- h) Disclosure by the Company and its subsidiaries of the Loans and Advances in the nature of loans to firms/companies in which Directors are interested, as on March 31, 2024:

Loans & Advances by the Company:

Sl. No.	Name of the Firm/ Company	Amount of Loans/ Advances (In INR)
-	-	-

Loans & Advances by the Subsidiary(ies):

Sl. No.	Name of the Firm/ Company	Amount of Loans/ Advances (In INR)
-	-	-

Details of Material Subsidiary(ies)

Sl. No.	Particulars	Name of the Company(ies) identified as Material Subsidiary	
		Capital India Home Loans Limited	Rapipay Fintech Private Limited
1.	Date of Incorporation	August 11, 2017	April 6, 2009
2.	Place of Incorporation	Delhi	Delhi
3.	Name of the Statutory Auditors	S C Mehra & Associates LLP	Walker Chandio & Co LLP
4.	Date of Appointment of Statutory Auditors by Shareholders	April 25, 2022	May 27, 2022

S) Credit Rating

During the period under review, the Company has maintained its rating of 'A- / Stable outlook' by Acuite Ratings and Research Limited (Rating Agency) for term borrowing programme of INR 775 Crore and maintained the rating of 'A2+' for Short-Term debt of INR 25 Crore. During the period under review, the Company has fully repaid its outstanding Non-Convertible Debentures of INR 75 crores for which the rating of "A -/Stable" was subsequently withdrawn.

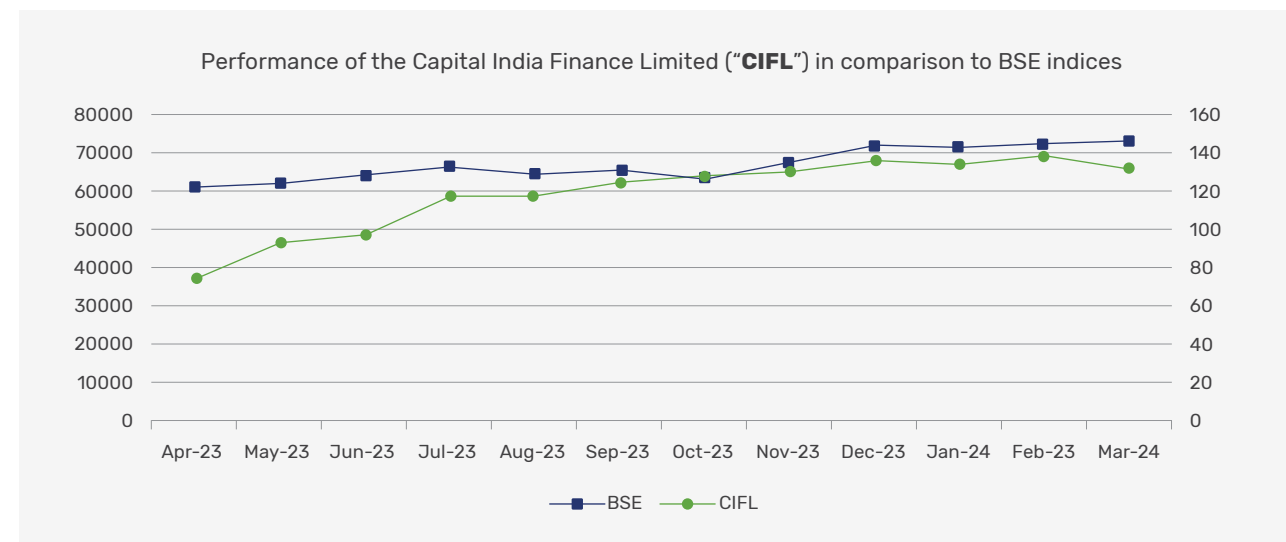
T) Equity Shares in the Suspense Account

There were no outstanding equity shares in the Unclaimed Suspense account of the Company, as on March 31, 2024.

U) Stock Market Price at BSE Limited (BSE)

The monthly high and low market prices of equity shares at BSE Limited (BSE) for the year ended on March 31, 2024, are as under:

Month	High Price (INR)	Low Price (INR)	No. of Shares Traded
Apr-23	98.79	66.00	75,114
May-23	103.70	72.40	82,152
Jun-23	102.00	92.10	21,142
Jul-23	124.00	91.02	91,007
Aug-23	137.70	105.75	1,17,660
Sep-23	144.90	112.70	4,38,570
Oct-23	143.90	110.80	65,574
Nov-23	143.00	120.60	58,274
Dec-23	163.70	120.30	10,02,772
Jan-24	141.80	119.05	14,89,670
Feb-24	164.70	125.65	92,444
Mar-24	145.55	120.60	20,860

V) Performance of the Company in comparison with the BSE Indices

W) Details of the Directors seeking Appointment/Re-appointment

Inter alia, the following information in respect of Director's being appointed/re-appointed is being disclosed in the Notice convening the 30th AGM of the Company:

a) brief resume;

- b) nature of expertise in specific functional areas;
- c) disclosure of relationships between directors inter-se;
- d) names of listed entities in which the director also holds the directorship and the membership of Committees of the board; and
- e) shareholding.

For and on behalf of the Board of
Capital India Finance Limited

Date: May 22, 2024
Place: Mumbai

Keshav Porwal
Managing Director

Notes to Corporate Governance Report

- 1

Excludes directorship in the Company, deemed public company, private companies, foreign companies and Section 8 companies.
- 2

Includes audit committee and stakeholders relationship committee in all public limited companies.
- 3

Ms. Rashmi Fauzdar was appointed as an Independent Woman Director of the Company w.e.f. August 24, 2023.
- 4

Ms. Jyuthika Mahendra Jivani was appointed as an Additional Independent Woman Director of the Company w.e.f. March 20, 2024.
- 5

Dr. Harsh Kumar Bhanwala ceased to be associated with the Company w.e.f. January 24, 2024 (close of business hours).
- 6

Ms. Rachna Dikshit ceased to be associated with the Company w.e.f. August 08, 2023.
- 7

Ms. Rashmi Fauzdar was inducted as the Member of the Audit Committee w.e.f. August 24, 2023.
- 8

Ms. Jyuthika Mahendra Jivani was inducted as the Member of the Audit Committee w.e.f. March 20, 2024.
- 9

Ms. Rachna Dikshit ceased to be the Member of the Audit Committee w.e.f. August 08, 2023.
- 10

Mr. Yogendra Pal Singh was re-designated as the Chairman of the Nomination & Remuneration Committee in place of Mr. Vinod Somani and Mr. Somani was re-designated as the Member of the Committee w.e.f. January 25, 2024.
- 11

Ms. Rachna Dikshit ceased to be the Member of the Nomination & Remuneration Committee w.e.f. August 08, 2023.
- 12

Ms. Rashmi Fauzdar was inducted as the Member of the Nomination & Remuneration Committee w.e.f. August 24, 2023.
- 13

Ms. Rachna Dikshit ceased to be the Member of the Stakeholders Relationship Committee w.e.f. August 08, 2023.
- 14

Ms. Rashmi Fauzdar was inducted as the Member of the Stakeholders Relationship Committee w.e.f. August 24, 2023.
- 15

Ms. Rachna Dikshit ceased to be the Member of the CSR Committee w.e.f. August 08, 2023.
- 16

Ms. Rashmi Fauzdar was inducted as the Member of the CSR Committee w.e.f. August 24, 2023.
- 17

Dr. Harsh Kumar Bhanwala ceased to be the Chairman of the RMC w.e.f. January 24, 2024.
- 18

Mr. Vinod Somani was inducted as the Chairman of the RMC w.e.f. January 25, 2024.
- 19

Ms. Rachna Dikshit ceased to be the Member of the RMC w.e.f. August 08, 2023.
- 20

Ms. Rashmi Fauzdar was inducted as the Member of the RMC w.e.f. August 24, 2023.
- 21

Mr. Keshav Porwal was appointed as the Member of the IT Committee w.e.f. January 25, 2024.
- 22

Mr. Vinod Somani was appointed as the Member of the IT Committee and Investment Committee w.e.f. January 25, 2024.
- 23

Ms. Rashmi Fauzdar was appointed as the Member of the ALCO w.e.f. August 24, 2023.
- 24

Mr. Pinank Jayant Shah was appointed as the Member of the IC, ITM, ALCO and MC w.e.f. August 09, 2023.
- 25

Mr. Ravindran Menon was appointed as the Member of the MC and IT w.e.f. January 25, 2024.
- 26

Mr. Chetan Bafna was appointed as the Member of the ALCO w.e.f. April 28, 2023.
- 27

Mr. Vineet Kumar Saxena ceased to be the Member of the IC, ITM, ALCO and MC w.e.f. August 08, 2023.
- 28

Dr. Harsh Kumar Bhanwala ceased to be the Member of the IC, ALCO and MC w.e.f. January 24, 2024.
- 29

Dr. Harsh Kumar Bhanwala Executive Chairman of the Company, ceased to be associated with the Company w.e.f. January 24, 2024.

CEO & CFO Certificate

To,
The Shareholders and Board of Directors,
Capital India Finance Limited

Sub: Certificate under Regulation 17(8) and Regulation 33(2)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended on March 31, 2024

We, Pinank Jayant Shah, Chief Executive Officer and Vikas Srivastava, Chief Financial Officer of Capital India Finance Limited (“Company”), to the best of our knowledge and belief, certify that:

- A.

We have reviewed the financial statements and cash flow statements for the financial year ended March 31, 2024 (both standalone and consolidated basis) (“Financial Results”) and to the best of our knowledge and belief:

i.

these financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

ii.

these financial statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B.

There is, to the best of our knowledge and belief, no transaction(s) entered into by the Company during the year ended March 31, 2024 which are fraudulent, illegal or violative of the Code of Conduct of the Company.
- C.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Company’s internal control systems pertaining to the financial reporting and that we have disclosed to the Auditors’ and the Audit Committee of the Board, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D.

We have indicated to the Auditors and the Audit Committee of the Board:

i.

that there are no significant changes in internal control over financial reporting during the year; and

ii.

that there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to these financial statements.
- E.

To the best of our knowledge and belief, there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Date: May 22, 2024
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer

Vikas Srivastava
Chief Financial Officer

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Capital India Finance Limited
2nd Floor, DLF Centre, Sansad Marg,
Central Delhi, New Delhi – 110001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Capital India Finance Limited (CIN L74899DL1994PLC128577)**, having its registered office at 2nd Floor, DLF Centre, Sansad Marg, Central Delhi, New Delhi-110001 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, New Delhi or any such other Statutory Authority.

S. No.	Name of Directors	DIN	Designation	Date of appointment in Company
1.	Mr. Vinod Somani	00327231	Non-Executive Chairman (Independent)	20/12/2017
2.	Mr. Keshav Porwal	06706341	Managing Director	27/11/2017
3.	Mr. Yogendra Pal Singh	08347484	Independent Director	13/02/2019
4.	Mr. Subhash Chander Kalia	00075644	Independent Director	26/05/2021
5.	Ms. Rashmi Fauzdar	07599221	Independent Woman Director	24/08/2023
6.	Ms. Jyuthika Mahendra Jivani	10558392	Additional Independent Woman Director	20/03/2024

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No.: A21227
C.P. No.: 8003
PR 1008/2020
UDIN: A021227F000400606

Date: May 22, 2024
Place: New Delhi

Certificate Regarding Compliance of Conditions of Corporate Governance

To,
The Members,
Capital India Finance Limited
2nd Floor, DLF Centre, Sansad Marg,
New Delhi, Central Delhi – 110001

1. We have examined the Compliance of conditions of Corporate Governance by **Capital India Finance Limited** (the “Company”) for the year ended 31st March, 2024 as stipulated under regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and paragraph C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”).

Management’s Responsibility

2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditors’ Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

4. We have examined the relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of regulation 46(2) and paragraph C, D and E of Schedule V of the Listing Regulations during the financial year ended 31st March 2024.

6. We state that such compliances are neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Arun Gupta & Associates**
Company Secretaries
Firm Regn. No. I2008DE626100

Arun Kumar Gupta
Proprietor
Membership No. 21227
C.P. No. 8003
PR 1008/2020
UDIN: A021227F000400641

Date: May 22, 2024
Place: New Delhi

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1994PLC128577
2.	Name of the Listed Entity	Capital India Finance Limited
3.	Year of incorporation	1994
4.	Registered office address	2 nd Floor, DLF Centre, Sansad Marg, New Delhi - 110001
5.	Corporate address	Level - 20, Birla Aurora, Dr. Annie Besant Road, Worli Mumbai - 400030
6.	E-mail	secretarial@capitalindia.com
7.	Telephone	022 - 4503 6000
8.	Website	www.capitalindia.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited
11.	Paid-up Capital	INR 77,73,42,600
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Keshav Porwal, Managing Director 022 - 4503 6000 secretarial@capitalindia.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Lending activities performed as Systemically Important Non-Deposit accepting Non-Banking Financial Company	Business of loans, advances and investments	77.15
2.	Foreign Exchange services as an Authorised Dealer Category-II and Money Transfer Service Scheme	Business related to foreign exchange money changing activity and inward cross border international money transfers	22.85

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Turnover of the entity
1.	Financial Service Activities	649	100%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NIL	Lending operations - 29 Foreign Exchange operations - 40	69
International	NIL	NIL	NIL

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Lending operations - 07 Foreign Exchange operations - 18
International (No. of Countries)	NIL

b. What is the contribution of exports as a percentage of the total turnover of the entity? NIL

c. A brief on types of customers:

The Company primarily focus on lending to corporates, Micro, Small and Medium Enterprises Entities and also Individuals, as per the need of the customers.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	564	487	86.35	77	13.65
2.	Other than Permanent (E)	9	6	66.67	3	33.33
3.	Total employees (D + E)	573	493	86.04	80	13.96
WORKERS						
4.	Permanent (F)	--	--	--	--	--
5.	Other than Permanent (G)	--	--	--	--	--
6.	Total workers (F + G)	--	--	--	--	--

b. Differently abled Employees and workers: NIL

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	--	--	--	--	--
2.	Other than Permanent (E)	--	--	--	--	--
3.	Total differently abled employees (D + E)	--	--	--	--	--
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	--	--	--	--	--
5.	Other than Permanent (G)	--	--	--	--	--
6.	Total differently abled workers (F + G)	--	--	--	--	--

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33
Key Management Personnel	4	NIL	N.A.

20. Turnover rate for permanent employees and workers:

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	52%	23%	48%	39%	27%	38%	21%	36%	23%
Permanent Workers	--	--	--	--	--	--	--	--	--

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / Subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Capital India Corp Private Limited	Holding	73.04	No, the holding / subsidiary companies of the Company are not involved in the business responsibility initiatives of the Company.
2.	Capital India Home Loans Limited	Subsidiary	99.90	
3.	Rapipay Fintech Private Limited		52.50	
4.	Capital India Asset Management Private Limited		100.00	
5.	NYE Investech Private Limited	Step-down Subsidiary through Rapipay Fintech Private Limited	52.50*	
6.	NYE Insurance Broking Private Limited		52.50*	

*Held through Rapipay Fintech Private Limited

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **Yes**
- (ii) Turnover: INR 16,343.06 Lakhs as on March 31, 2023
- (iii) Net worth: INR 58,542.26 Lakhs as on March 31, 2023

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct ("NGRBCs"):

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2023-24			2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Investors (other than shareholders)	Yes	0	0	N.A.	0	0	N.A.
Shareholders	Yes	23	0	N.A.	10	0	N.A.
Employees and workers	Yes	0	0	N.A.	0	0	N.A.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	2023-24			2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Customers	Yes, https://capitalindia.com/uploads/CorporateGovernance/Policy/Grievance%20Redressal%20Policy.pdf	157	0	N.A.	86	0	N.A.
Value Chain Partners	Yes	0	0	N.A.	0	0	N.A.
Other (please specify)	--	--	--	--	--	--	--

24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
No Sustainability Issues identified during FY 23-24					

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements. The nine principles are as follows:

- P1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable
- P2** Businesses should provide goods and services in a manner that is sustainable and safe
- P3** Businesses should respect and promote the well-being of all employees, including those in their value chains
- P4** Businesses should respect the interests of and be responsive to all its stakeholders
- P5** Businesses should respect and promote human rights
- P6** Businesses should respect and make efforts to protect and restore the environment
- P7** Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
- P8** Businesses should promote inclusive growth and equitable development
- P9** Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Policies wherever stated have been approved by the Board/ Committee of the Board/ Senior Management of the Company.								
	c. Web Link of the Policies, if available	www.capitalindia.com								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N.A.	Y	Y

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources. For this purpose, the Board of the Company has approved various policies such as Direct Selling Agents (DSA) Outsourcing Policy, Code of Conduct for Outsourced Activities, Fair Practice Code, Whistle Blower Policy, etc. These policies enable participation of value chain partners in fair and ethical conduct of their business.								
4. Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	All policies have been developed based on industry practices, as per the regulatory requirements and through appropriate consultation with relevant stakeholders.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any	Ensuring adherence to the values, principles and business ethics envisaged by the Principles of NGRBC in all dealings of the Company and its value chain partners and protecting the long-term interest of the stakeholders of the Company and ensuring highest standards of ethics, transparency and disclosures.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	The Company constantly monitors the performance towards the goals and take adequate actions wherever required and have a robust governance mechanism to monitor the progress. The Board oversees the vision and focus towards our goals and as well as monitoring the progress against the stated vision and reviewing the policies and practices, ensuring that they remain effective.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:	Doing business in a responsible and sustainable manner is one of the key imperatives for us at Capital India Finance Limited. We remain committed to promoting financial inclusion through affordable finance. We continuously engage in discussion with all our stakeholders to identify Ethical Business Conduct, Efficient and Transparent Customer Service, Corporate Governance, Risk Management, Human Capital Development, among other important issues. Engaging with stakeholders on sustainability issues builds trust, enhances brand reputation, and strengthens relationships with customers, investors, and communities. We instituted practices like Comprehensive Code of Conduct, sound risk culture, investment in emerging areas of cyber security and information security, employee welfare policies, monitoring consumption of resources in an efficient and prudent manner among several other practices.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)	Mr. Keshav Porwal, Managing Director 022 - 4503 6000 secretarial@capitalindia.com								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	No								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, all the policies of the Company are reviewed periodically or on a need basis by department heads, business heads, senior management personnel/ respective committees and as and when required the policies are placed before the Board for their comments/ review/ approval. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations, as applicable.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency										P1	P2	P3	P4	P5	P6	P7	P8	P9
										Evaluation is a continuous process and is done internally by the Company.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	The Principle 7 is not related to the Company, since the Company is in the financial services sector therefore this principle doesn't relate to the nature of the business.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators			
1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:			
Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	On an ongoing basis, the Company carries out familiarization programs for its directors, as required under the SEBI Listing Regulations and keeps the Directors and KMPs abreast on matters relating to the industry, business models, risk metrices, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.		100%
Key Managerial Personnel			100%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	We aim towards formal and informal training and development of our employees, to help them stay ahead of latest trends and technology. Further, for certain relevant topics periodical awareness programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication. Such training / awareness programs are on array of topics, such as Code of Conduct, Ethics, Cyber Security, Data Privacy, Fraud Prevention, Functional Trainings, Insider Trading, Prevention of Sexual Harassment, Skill Upgradation, Process, etc.		100%
Workers			N.A.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format :

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement/ agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			NIL		
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement/ agencies/ judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)
Imprisonment			NIL		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	N.A.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

N.A.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	NIL	NIL
KMP's	NIL	NIL
Employees	NIL	NIL
Workers	N.A.	N.A.

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	N.A.	NIL	N.A.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	N.A.	NIL	N.A.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

N.A.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year.

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
NIL		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same

Yes, the Company has a separate Code of Conduct for Board of Directors and Senior Management Personnel of the Company which provides that Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement.

A declaration from the Directors and Senior Management's affirmation to the said Code of Conduct is communicated to all stakeholders by the MD, through the Annual Report.

In addition, the Company has adopted a 'Policy on Related Party Transactions' to ensure compliance of the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the time of entering into any transaction with its related parties.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current financial year	Previous financial year	Details of improvements in environmental and social impacts
R&D	The Company operates in the financial services sector therefore this aspect doesn't relate to the nature of the business. However, the Company monitors its energy consumption, and waste generation as a part of its sustainability roadmap.		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing?
The Company's present nature of business doesn't present opportunities for sustainable sourcing aspect in a holistic way.
- b. If yes, what percentage of inputs were sourced sustainably?
N.A.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste
N.A.
- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

The Company operates in a financial services sector therefore this aspect doesn't relate to the nature of the business.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products or for its services? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
No					

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product / Service	Description of the risk / concern	Action Taken
N.A.		

- Percentage of recycled or reused input material to total material (by value) used in production or providing services :

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
As stated, the Company provides financial services to its customers and does not manufacture any products, hence this aspect does not relate to the nature of business of the Company.		

- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Deposited	Re-used	Recycled	Safely Deposited
Plastics (including packaging)	N.A.					
E-waste						
Hazardous waste						
Other Waste						

- Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
N.A.	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

- a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	487	487	100	487	100	-	-	487	100	N.A.	N.A.
Female	77	77	100	77	100	77	100	-	-	N.A.	N.A.
Total	564	564	100	564	100	77	100	487	100	N.A.	N.A.
Other than Permanent Employees											
Male	6	--	--	--	--	--	--	--	--	--	--
Female	3	--	--	--	--	--	--	--	--	--	--
Total	9	--	--	--	--	--	--	--	--	--	--

- b. Details of measures for the well-being of workers: N.A.

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male						N.A.					
Female						N.A.					
Total						N.A.					
Other than Permanent Workers											
Male						N.A.					
Female						N.A.					
Total						N.A.					

- Details of retirement benefits, for Current FY and Previous and Financial Year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	N.A.	100%	-	N.A.
ESI	100%	-	Y	100%	-	Y
Others – please specify	-	-	-	-	-	-

- Accessibility of workplaces

As a principle, the Company prohibits any form of discrimination against individuals with disabilities in all employment-related matters, in accordance with the Rights of Persons with Disabilities Act, 2016. Our various corporate offices have implemented the necessary accommodations as per the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

We prohibit discrimination against any person with disability in any matter related to employment. We provide remuneration and equal opportunities at the time of recruitment as well as during employment irrespective of age, sex, color, caste, disability, marital status, ethnic origin, race, religion, sexual orientation, disease (viz. HIV/Aids) or any other status of individuals, thereby presenting an opportunity to excel and grow best suited to the individual's suitability and ability to perform the related work.

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	N.A.	
Female	100%	100%		
Total	100%	100%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	N.A.
Other than Permanent Workers	
Permanent Employees	Redresses grievances through following mechanism: A. Employee portal B. Internal Complaints Committee for 'Prevention of sexual harassment of women at workplace'

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	--	--	--	--	--	--
- Male	--	--	--	--	--	--
- Female	--	--	--	--	--	--
Total Permanent Workers	N.A.					
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	493	493	100%	493	100%	458	377	82	437	95
Female	80	80	100%	80	100%	55	45	82	47	85
Total	573	573	100%	573	100%	513	422	82	484	94
Workers										
Male	N.A.									
Female										
Total										

All the employees have access to relevant learning and development opportunities. The learning needs are identified by a combination of self, manager and department head and classified under functional, behavioural and organizational needs in their KRAs.

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	493	493	100	463	463	100
Female	80	80	100	57	57	100
Total	573	573	100	520	520	100
Workers						
Male	N.A.					
Female						
Total						

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

We comprehends that occupational health & safety and overall physical & mental well-being of the employees is integral part to the success and growth aspirations of the Company. The Company ensures occupational health & safety awareness and builds competency among associates at all levels to handle individual and team occupational health and safety responsibility, through organising appropriate trainings such as Yoga Sessions, training on strengthening of mental, social and emotional health, online training on food safety and personal hygiene, and so on.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company ensures occupational health and safety awareness and build competency among associates at all levels to handle individual and team occupational health and safety responsibility, through organising appropriate trainings such as Yoga Sessions, training on strengthening of mental, social and emotional health, online training on food safety and personal hygiene, and so on.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) - N.A.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) - Yes

11. Details of safety related incidents, in the following format: NIL

Safety Incident/ Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	--	--
	Workers	--	--
Total recordable work-related injuries	Employees	--	--
	Workers	--	--
No. of fatalities	Employees	--	--
	Workers	--	--
High consequence work-related injury or ill-health (excluding fatalities)	Employees	--	--
	Workers	--	--

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

Please refer 10(a) above

13. Number of Complaints on the following made by employees and workers: NIL

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	--	--	--	--	--	--
Health & Safety	--	--	--	--	--	--

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	We aim to respect the employees' dignity while maintaining a safe, hygienic, and humane work environment. Internal inspections are conducted on a regular basis to evaluate the working conditions and many areas of health and safety procedures in our offices.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions:

N.A.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of:
- (A) Employees: Yes
- (B) Workers: N.A.
2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

All the values chain partners abide their respective contracts wherein it is clearly provided that they will be responsible for compliance with applicable laws such as GST, Provident Fund, Labour Law or any other applicable law including registration/approval from statutory authority. Further, the Company has a system in place to check the statutory dues deducted and deposited through the challans submitted along with the bills by value chain partners.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment: NIL

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	-	-	-	-
Workers	-	-	-	-

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? - No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We expect all our value chain partners to follow extant regulations, including health and safety practices and working conditions.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. N.A.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

The Company has identified institutions, individuals or a group of individuals furthering the mission of the Company as its key stakeholder groups and it include employees, shareholders including prospective investors, customers, lenders, and the society.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Multiple channels - physical and digital	Weekly	Employee Engagement
Shareholder	No	Multiple channels - physical and digital such as press releases, disclosure on stock exchanges etc.	Periodic and need based	To inform about the performance, major developments and other relevant updates regarding the Company
Customer	No	Multiple channels - physical and digital.	Periodic and need based	Servicing across the lifecycle of the customer, redressal to queries / grievances, periodic communication to provide relevant update.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board

The Company ensures transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information.

Engagement with stakeholders is a continuous process, as a part of the Company's business activities. Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

Yes. Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the Company to better serve its stakeholders.

The Company personnel interact with various stakeholders to understand the evolvement and relevance of ESG topics, their impact, and expectations from the Company. Based on such interactions, the Company has, over last few years, enhanced its reporting on business responsibility. The Company believes that it is still learning the evolving aspects of ESG and lays significant importance to such interactions.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups

The Company through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived and underprivileged persons.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	--	--	--	--	--	--
Other than Permanent	--	--	--	--	--	--
Total Employees	--	--	--	--	--	--
Workers						
Permanent	N.A.					
Other than Permanent						
Total Workers						

Every employee in the organisation must adhere to the commitment of integrity and ensure following the principles of mutual respect, privacy, equal opportunities and non-discrimination, health, safety and environment, prevention of sexual harassment.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	487	0		487	100	458	0		458	100
Female	77	0		77	100	55	0		55	100
Other than Permanent										
Male	6	0		6	100	5	0		5	100
Female	3	0		3	100	2	0		2	100
Workers										
Permanent	N.A.									
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	2,50,00,000	0	--
Key Managerial Personnel	3	1,59,36,134	0	--
Employees other than BoD and KMP	480	3,67,262	76	3,60,686
Workers				

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? - Yes
5. Describe the internal mechanisms in place to redress grievances related to human rights issues
- Yes, the Company is committed to provide equal employment opportunities without any discrimination on the grounds of disability, gender, caste, religion, race, state, background, colour, and maintaining a work environment that is free from harassment.
 - Abiding by the provisions of the Minimum Wages Act 1971, the minimum wages paid to the employees and contractors are revised periodically. The salary paid to employees of all categories fulfils all norms of the Act as prescribed.
 - The Company has a zero-tolerance policy towards sexual harassment at the workplace, which has been implemented across all locations and installations. Internal Complaints Committees (ICCs) have been constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to redress complaints received on sexual harassment.
 - We have a comprehensive Whistle Blower Policy in place enabling employees to report malpractices such as misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, and matters affecting the interests of the Company with necessary safeguards for the protection of the whistleblower.

6. Number of Complaints on the following made by employees and workers: Nil

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	--	--	--	--	--	--
Discrimination at workplace	--	--	--	--	--	--
Child Labour	--	--	--	--	--	--
Forced Labour/ Involuntary Labour	--	--	--	--	--	--
Wages	--	--	--	--	--	--
Other human rights related issues	--	--	--	--	--	--

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. - As detailed in the respective policies
8. Do human rights requirements form part of your business agreements and contracts? - Yes
9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	We are in compliance of the relevant laws, as applicable
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. N.A.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints. - There have been no significant human rights grievances / complaints warranting modification / introduction of business processes
2. Details of the scope and coverage of any Human rights due-diligence conducted. - N.A.
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? - Yes
4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	We strive to influence our value chain partners to adhere to the same values, principles and business ethics upheld by us in all their dealings. No specific assessment in respect of value chain partners has been carried out, other than certain elements covered in annual review of processes and controls of select sample of value chain partners by the Company
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above: N.A.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: -

The Company operates in the financial service sector and do not undertakes any energy intensive activities, therefore, this aspect doesn't relate to the nature of business.

Parameter	FY 2023-24	FY 2022-23
Total electricity consumption (A)	--	--
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	--	--
Total energy consumption (A+B+C)	--	--
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	--	--
Energy intensity (optional) – the relevant metric may be selected by the entity	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format:

Workers	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	The usage of water in the organization is restricted to human consumption purposes only. Efforts have been made to ensure that water is consumed judiciously in the office/branch premises.	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

N.A.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	N.A.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	The Company is a service-oriented company and is in the business of providing finance and has a very limited environmental impact in terms of greenhouse gas emissions. Our focus on environmental indicators is passive.	
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover			
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

No

8. Provide details related to waste management by the entity, in the following format:

The Company is a service-oriented company and is in the business of providing finance and has a very limited waste generation. Efforts have been made to keep the waste generation to minimum levels.

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	--	--
E-waste (B)		
Bio-medical waste (C)	--	--
Construction and demolition waste (D)		
Battery waste (E)	--	--
Radioactive waste (F)		
Other Hazardous waste. Please specify, if any. (G)	--	--
Other Non-hazardous waste generated (H) . Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	--	--
Total (A+B + C + D + E + F + G + H)		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	--	--
(ii) Re-used		
(iii) Other recovery operations	--	--
Total		
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	--	--
(ii) Landfilling	--	--
(iii) Other disposal operations	--	--
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Company and the Company has systems in place to manage and dispose of e-waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
N.A.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
N.A.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non - compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
The Company is engaged in providing financial services viz. providing loans, guarantee and security, hence, the Company is in compliance with applicable environmental norms to the extent applicable, to the nature of its business.				

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

The Company operates in the financial service sector and do not undertakes any energy intensive activities, therefore, this aspect doesn't relate to the nature of business.

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A)	--	--
Total fuel consumption (B)	--	--
Energy consumption through other sources (C)	--	--
Total energy consumed from renewable sources (A+B+C)	--	--
From non-renewable sources		
Total electricity consumption (D)	--	--
Total fuel consumption (E)	--	--
Energy consumption through other sources (F)	--	--
Total energy consumed from non-renewable sources (D+E+F)	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	N.A.	
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): N.A.

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
(ii) Nature of operations
(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	--	--
(ii) Groundwater	--	--
(iii) Third party water	--	--
(iv) Seawater / desalinated water	--	--
(v) Others	--	--
Total volume of water withdrawal (in kilolitres)	--	--
Total volume of water consumption (in kilolitres)	--	--
Water intensity per rupee of turnover (Water consumed / turnover)	--	--
Water intensity (optional) – the relevant metric may be selected by the entity	--	--
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(ii) Into Groundwater	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iii) Into Seawater	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(iv) Sent to third-parties	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
(v) Others	--	--
- No treatment	--	--
- With treatment – please specify level of treatment	--	--
Total water discharged (in kilolitres)	--	--

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO2 equivalent	N.A.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities: N.A.
6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
N.A.			

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes. The Company has Business Continuity Plan (BCP) Policy in place to have a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimizing the potential business impact to the Company. BCP Policy is compliant with applicable regulatory requirements and includes disaster management protocols. BCP Policy provides for a Business Continuity Management (BCM) activity for planning, implementing, verifying, reviewing and evaluating continuity.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard:

Company's operations as a financial services company does not present any significant adverse impact to the environment.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

NIL

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

N.A.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

Sr. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.		

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
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Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
N.A.						

3. Describe the mechanisms to receive and redress grievances of the community:

In the community-based projects, the Company's representative from CSR team facilitates the interaction between the stakeholders - beneficiaries, local leaders, and local authorities to address and resolve the grievances.

We follow below mentioned steps:

- (i) Conduct quarterly review meetings with all the stakeholders.
- (ii) During the quarterly review meetings concerns and issues are discussed with the community-based groups e.g., Mohalla Committees, Self Help Groups, School Development Committee & Village Development Committee.
- (iii) The Company along with other stakeholders analyse the conflicts, discuss the alternatives, pros and cons, and identify the probable strategies/solutions. If the problem is among or within the communities, then the community-groups are encouraged to determine the solutions of the concern problems by negotiating among themselves with the concerned persons or groups in the community.
- (iv) If the issue is related to our project team, then we conduct an internal review and propose appropriate solution within the allotted time frame.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	Not Applicable since we are not involved in manufacturing of goods and sourcing of goods is not a part of our core activities.	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
N.A.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

CSR projects were not undertaken in the Aspirational Districts

S. No.	State	Aspirational District	Amount spent (In INR)
NIL			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No

(b) From which marginalized /vulnerable groups do you procure? N.A.

(c) What percentage of total procurement (by value) does it constitute? N.A.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
N.A.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
N.A.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Rural Infrastructure Project	4000	80
2	Health check-up & Cancer Screening	1199	60
3	Employment based skill development	60	60
4	Financial Literacy	215	100

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback:

As per the Grievance Redressal Policy of the Company, the mechanisms for Redressal of the Complaints are as below:

- a) The Customers are advised to file the Complaint by furnishing complete details of the same to the Company.
- b) Upon receipt of the Complaint by the Company, the acknowledgement along with a complaint identification number and the details of the designated officer, who will be dealing with the Complaint, shall be provided to the Customer within 3 (Three) working days from the date of receipt of such Complaint.
- c) The Company shall provide the necessary clarification / justification with respect to the Complaint, to the satisfaction of the Customer and take all appropriate measures to resolve the Complaint within 30 (Thirty) working days from the date of receipt of such Complaint.

- d) In case any additional time is required for resolution of the Complaint, the Company shall inform the Customer about the requirement of such additional time along with the expected timelines for the resolution of such Complaint.
- e) The Chief Executive Officer and the Head of Operations of the Company shall ensure that all Complaints filed by the Customers are resolved within the stipulated time frame.
- f) A record of all Complaints filed by the Customers and the response or resolution provided by the Company shall be maintained by the Company as per the Company's policy formulated for document preservation and archival.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Transparency and fairness in dealings with customers is followed by the Company. None of the products withhold any relevant information needed by the customers to make informed decisions.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at the end of year	Remarks	Received during the year	Pending resolution at the end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Others	157	-	-	86	-	-

4. Details of instances of product recalls on account of safety issues: N.A.

	Number	Reason for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

The Company have in place Data Security and Cyber Security Policies to ensure the Confidentiality, Integrity, availability and authenticity of data belonging to the Company and to prevent, detect and respond to cyber-attacks, protect critical assets which have been impacted, build a knowledgebase of the attacks and continuously improve protection against new and emerging threats.

Web-link: <https://www.capitalindia.com/privacy-policy>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

No penalties or regulatory action has been levied or taken on the above-mentioned parameters.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)

<https://www.capitalindia.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services

In-house Consumer Awareness activity at offices / branches of the company, Emailer and/or SMS.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

N.A.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/N.A.) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

N.A.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact - NIL
- b. Percentage of data breaches involving personally identifiable information of customers - N.A.

INDEPENDENT AUDITOR’S REPORT

To
The Members of **Capital India Finance Limited**

Report on the Audit of Standalone Financial Statements

1. Opinion

We have audited the accompanying Standalone Financial Statements of Capital India Finance Limited (hereinafter referred as “the Company”), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the ‘standalone financial statements’).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (‘Ind As’) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, total comprehensive income, its cash flows and the statement of changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards

are further described in the “Auditor’s Responsibilities for the Audit of the Standalone Financial Statements” section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on Standalone Financial Statements.

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	Expected Credit Loss (ECL) on Loans and Advances As at March 31, 2024, the carrying value of loan assets measured at amortized cost, aggregated INR 87,208.53 Lakhs (net of allowance of ECL of INR 1,914.21 Lakhs) constituting approximately 70% of the Company’s total assets. The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.	Our Audit Approach: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: a) testing the design and effectiveness of internal controls over the following: <ul style="list-style-type: none">key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	The elements of estimating ECL which involved increased level of audit focus are the following: a) Data inputs – The application of ECL model requires several data inputs. b) Model estimations – Inherently judgemental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company’s modelling approach. c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost. d) Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them. e) Adjustments to model driven ECL results to address emerging trends. Refer Note 6 of the Standalone Financial Statements.	<ul style="list-style-type: none">key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors.management’s controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model. b) Also, for a sample of ECL allowance on loan assets tested: <ul style="list-style-type: none">we test checked over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data; andwe tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company. c) evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model, including management overlays. d) evaluated the management judgement, governance process and review controls and discussed the process and assumptions for identification of provisioning for ECL on loans with senior management including Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk. e) assessed the updated model methodology by evaluating the changes for models which were changed or updated during the year. f) assessed the disclosures included in the Financial Statements in respect of expected credit losses.

2. Information Technology (IT) Systems and Controls

The Company’s key financial information is highly dependent on the automated controls over the Company’s information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.

Our Audit Approach:

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

General IT controls design, observation and operation:

- tested key controls operating over the information technology in relation to financial information, including system access and system change management, program development and computer operations.

User access controls operation:

- obtained management’s evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.
- assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
		Application controls: <ul style="list-style-type: none">• tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.• tested the design and operating effectiveness of compensating controls for any identified deficiencies and where necessary, extended the scope of our substantive audit procedure.• considered the reports issued by the professional consultants with respect to Information Systems (IS) Audit and IT Infrastructure of the Company.

4. Information other than the Financial Statements and Auditor’s report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the Consolidated Financial Statements, Standalone Financial Statements, and our auditor’s report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

5. Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, Company’s Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company’s financial reporting process.

6. Auditors’ Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate

the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Standalone Financial Statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor’s report) Order, 2020 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the “Annexure A” a statement on the matters specified in paragraphs 3 and 4 of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Standalone Balance Sheet, Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e. On the basis of written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to the Standalone Financial Statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in “Annexure B” to this report.
- g. With respect to the matter to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, in our opinion, and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance of provisions of Section 197 read with Schedule V to the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2024 on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on

behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50 to Standalone Financial Statements);

- (b) The Management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 50 to Standalone Financial Statements); and

- (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note 30 to the Standalone Financial Statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which include test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner

Place: Mumbai
Date: May 22, 2024

Membership No. 123314
UDIN: 24123314BKBZVQ2443

Annexure A to the Independent Auditors’ Report of even date on the Standalone Financial Statements of Capital India Finance Limited

Referred to in paragraph [7(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use Assets.
- B) The Company has maintained proper records showing full particulars including quantitative details and situation of Intangible Assets.
- b) As per information and explanations given to us the Property, Plant and Equipment have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the operations of the Company and on the basis of explanations received no material discrepancies were noticed during the verification.
- c) According to the information and explanations given to us the Company does not have any immovable property.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets during the year.
- e) According to the information and explanations given to us, no proceedings have been initiated or is pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

- (ii) a) The Company is primarily engaged in lending business. Accordingly, it does not hold any inventories. Thus paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Basis the information and explanation provided to us and basis our audit procedures undertaken, we have not come across any difference between the information submitted in the quarterly returns / statements filed by the company with such banks or financial institutions when compared with the books of account and other relevant information provided by the Company.

- (iii) a) The Company is primarily engaged in lending activities and hence reporting under paragraph 3(iii)(a) of the Order is not applicable to the Company.

- b) Considering that the Company is a Non – Banking Finance Company, the investments made, security given, guarantees provided and the terms and conditions of the grant of all loans and advances in the nature of loans are not prima facie prejudicial to the Company’s interest.

- c) In respect of the loans given and advances in the nature of loans, the Company has stipulated the schedule of repayment of principal and payment of interest. However, given the nature of business of the Company being a Non – Banking Finance Company, there are some cases during the year and as at March 31, 2024 wherein the amounts were overdue vis-à-vis stipulated terms.

- d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days (including NPAs) as at the Balance Sheet date except for the following cases as on March 31, 2024:

(INR In Lakhs)			
Number of Cases	Principal Amount Overdue	Interest Amount Overdue	Total Amount Dues
1,699	1,574.67	190.91	1,765.58

Further, basis discussions with the management and representation given by the management, we understand that the reasonable steps have been taken by the Company for recovery of the principal and interest.

- e) The Company is engaged primarily in lending activities and hence reporting under paragraph 3(iii)(e) of the Order is not applicable to the Company.

- f) Basis the information and explanations provided to us, we did not come across loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Thus, reporting under paragraph 3(iii) (f) of the Order is not applicable to the Company.

- (iv) Section 185 is not applicable to Non – Banking Finance Company. According to the information and explanations given to us, the Company has complied with Section 186 of the Act.

(v) According to the information and explanation given to us, the Company being NBFC ND-SI registered with RBI, has not accepted any deposit during the year. Therefore, reporting under paragraph 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Thus, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) In respect of Statutory dues:

a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues applicable to it to the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, wealth tax, duty of customs, duty of excise and value added tax.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of provident fund, employees' state insurance, Income Tax and goods and services tax that have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, there are no transactions which have not been recorded in the books of account but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.

b) Basis the information and explanation provided to us, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

c) According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained, other than temporary deployment pending application of proceeds.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis do not seem to have used during the year for long-term purposes.

e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of subsidiaries and associates.

f) According to the information and explanation given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries and associates.

(x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3 (x)(a) of the Order is not applicable to the Company.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence reporting under paragraph 3 (x)(b) of the Order is not applicable to the Company.

(xi) a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Standalone Financial Statements and according to the information and explanations given by the management, there have been no instances of fraud on or by the Company.

b) According to the information and explanations given to us and to the best of our knowledge, no report under sub-section (12) of section 143 of the Act has been filed in Form ADT- 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) According to the information and explanations given to us the Company has not received any whistle blower complaints during the year.

(xii) The Company is not a Nidhi company and hence reporting under paragraph 3 (xii)(a) to (c) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

(xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have taken into consideration, the internal audit reports for the period under audit issued to

the Company till the date while determining the nature, timing and extent of audit procedures.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) a) According to the information and explanation given to us, the Company is required to be registered under section 45-IA of the Reserve Bank of India (RBI) Act, 1934 as Authorized Dealer II and the registration has been obtained.

b) The Company is a registered Non Banking Finance Company and holds a valid Certificate of Registration (CoR) from the Reserve Bank of India and hence reporting under paragraph 3(xvi)(b) of the Order is not applicable to the Company.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence reporting under paragraph 3 (xvi)(c) of the Order is not applicable.

d) According to the information and explanations given to us, there is one CIC in the Group, Capital India Corp Private Limited ("CICPL"), which is registered with the Reserve Bank of India.

(xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause (xvii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our

knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of ongoing projects or other than ongoing projects for the year requiring a transfer to a Fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act.

(b) According to the information and explanations given to us, no amount is remaining unspent under sub-section (5) of section 135 of the Act, pursuant to any ongoing project, which is required to be transferred to special account in compliance with the provision of sub-section (6) of section 135 of the Act.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner

Place: Mumbai
Date: May 22, 2024

Membership No. 123314
UDIN: 24123314BKBZVQ2443

Annexure B to the Independent Auditors’ Report of even date on the Standalone Financial Statements of Capital India Finance Limited

Referred to in paragraph [7(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting with reference to the Standalone Financial Statements of Capital India Finance Limited (“the Company”) as at March 31, 2024 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India” (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024 based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner

Place: Mumbai
Date: May 22, 2024

Membership No. 123314
UDIN: 24123314BKBZVQ2443

Standalone Balance Sheet

as at March 31, 2024

(Currency: INR In Lakhs)

Sr. No.	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
1	Financial Assets			
a	Cash & cash equivalents	3	8,311.68	7,600.47
b	Bank balances other than Cash & cash equivalents	4	6,446.25	3,925.47
c	Receivables	5		
	(i) Trade Receivables		663.98	364.86
	(ii) Other Receivables		15.52	34.30
d	Loans	6	85,705.69	89,242.31
e	Investments	7	17,643.51	21,070.64
f	Other financial assets	8	1,367.59	725.32
2	Non-financial Assets			
a	Current tax assets (Net)	9	16.35	616.31
b	Deferred tax asset (Net)	10	661.77	645.27
c	Property, plant and equipment	11	1,157.51	1,137.03
d	Capital work in progress	11A	30.17	-
e	Intangible asset under development	11B	24.00	15.00
f	Other Intangible assets	11C	19.87	43.52
g	Right of use assets	11D	869.19	1,144.25
h	Other non-financial assets	12	1,412.68	1,141.48
	Total Assets		1,24,345.76	1,27,706.23
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
a	Payables	13		
	I Trade Payables			
	(i) Total outstanding dues of micro and small enterprises		-	-
	(ii) Total outstanding dues of other than micro and small enterprises		1,024.66	840.72
	II Other Payables			
	(i) Total outstanding dues of micro and small enterprises		-	-
	(ii) Total outstanding dues of other than micro and small enterprises		70.77	-
b	Debt Securities	14	-	8,053.58
c	Borrowings (Other than Debt Securities)	14A	56,662.88	55,810.95
d	Other financial liabilities	15	3,890.91	2,180.01
e	Lease liabilities	38	1,023.76	1,327.15
2	Non-Financial Liabilities			
a	Provisions	16	724.55	778.12
b	Other non-financial liabilities	17	294.05	173.44
3	EQUITY			
a	Equity share capital	18	7,773.43	7,773.43
b	Other equity	19	52,880.75	50,768.83
	Total Liabilities and Equity		1,24,345.76	1,27,706.23

Corporate Information 1
Material accounting policies 2
Notes 3 to 52 forms integral part of the Standalone Financial Statements
In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

For and on behalf of the board
Capital India Finance Limited

Milind Agal
Partner
Membership No. : 123314
Place: Mumbai

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Haridwar

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Delhi

Rachit Malhotra
Chief Compliance Officer & Company Secretary
Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
	Revenue from operations :			
i	Interest income	20	13,940.75	12,720.72
ii	Fees and commission income		1,402.90	1,170.28
iii	Income from foreign exchange services		2,977.20	2,048.29
iv	Net gain on fair value changes	21	356.94	217.69
v	Net gain / (Loss) on derecognition of financial instruments under amortized cost category		534.57	-
(I)	Total revenue from operations		19,212.36	16,156.98
(II)	Other income	22	253.98	186.08
(III)	Total income (I+II)		19,466.34	16,343.06
	Expenses :			
i	Finance costs	23	7,155.12	6,296.11
ii	Impairment of financial instruments	24	164.60	(65.63)
iii	Employee benefits expenses	25	6,030.14	4,869.52
iv	Depreciation and amortization expenses	11, 11C & 11D	909.48	1,041.63
v	Other expenses	26	2,462.44	2,208.07
(IV)	Total expenses		16,721.78	14,349.70
(V)	Profit before exceptional items and tax (III-IV)		2,744.56	1,993.36
(VI)	Exceptional items		-	-
(VII)	Profit before tax (V -VI)		2,744.56	1,993.36
(VIII)	Tax Expense:			
	Current Tax		737.00	539.61
	Deferred Tax (Credit)	10	(2.71)	(51.28)
(IX)	Profit for the year (VII-VIII)		2,010.27	1,505.03
(X)	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
i	Re-measurement of net defined benefit plan		(54.78)	18.47
ii	Income tax impact on above	10	13.79	(4.65)
	Total Other Comprehensive Income		(40.99)	13.82
(XI)	Total Comprehensive Income for the year (IX+X)		1,969.28	1,518.85
(XII)	Earnings per equity share (face value of INR 10 each)	28		
i	Basic (INR)		2.59	1.94
ii	Diluted (INR)		2.55	1.92

Corporate Information 1
Material accounting policies 2
Notes 3 to 52 forms integral part of the Standalone Financial Statements
In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

For and on behalf of the board
Capital India Finance Limited

Milind Agal
Partner
Membership No. : 123314
Place: Mumbai

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Haridwar

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Delhi

Rachit Malhotra
Chief Compliance Officer & Company Secretary
Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

Standalone Statement of Cash Flow

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and taxes	2,744.56	1,993.36
Adjustments for:		
Depreciation and amortisation expenses	909.47	1,041.63
Provision for employee benefits	74.97	26.34
Share based payments to employees	220.37	16.81
Interest on lease liability	108.87	159.55
Interest income on lease rental deposits	(14.83)	(24.20)
Impairment on financial instruments	164.60	(65.63)
(Profit) / Loss on sale of property plant & equipment	(19.70)	0.08
(Gain)/Loss on direct assignment transactions	(534.57)	-
Profit on Mutual Fund	(356.94)	(217.69)
Interest on income tax refund	(37.19)	(23.06)
Finance cost	7,009.89	5,918.10
Operating profit before working capital changes	10,269.50	8,825.29
Changes in -		
(Increase) / Decrease in loans and advances	3,372.02	525.26
(Increase) / Decrease in trade and other receivables	(280.34)	(326.77)
(Increase) / Decrease in other financial assets	(92.87)	(396.38)
(Increase) / Decrease in other non-financial assets	(249.72)	(350.11)
Increase / (Decrease) in trade payables	254.71	228.16
Increase / (Decrease) in other financial liabilities	1,710.90	1,761.84
Increase / (Decrease) in other non-financial liabilities	120.61	(12.66)
Increase / (Decrease) in provision	(169.53)	183.00
Cash used in operations	14,935.28	10,437.63
Income tax paid	(113.64)	(351.97)
Net cash generated from operating activities (A)	14,821.64	10,085.66
B) CASH FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment and Intangible assets	(455.09)	(285.71)
Proceeds from sale of property, plant and equipment	20.27	1.93
Investment in Subsidiary Company	(1,000.00)	(2.00)
Investment in Mutual Fund	(41,857.91)	(42,492.88)
Redemption of Mutual Funds	46,641.98	38,283.44
Investment in Fixed Deposits	(90,150.50)	(42,420.21)
Maturity of Fixed Deposits	87,629.72	40,232.19
Net cash generated from investing activities (B)	828.47	(6,683.24)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of dividend	(77.73)	(77.73)
Payment of lease rent	(649.63)	(645.76)
Proceeds from borrowings	23,848.11	26,690.62
Repayment of borrowings	(31,049.76)	(24,527.87)
Interest payment on borrowings	(7,009.89)	(5,749.91)
Net cash used in financing activities (C)	(14,938.90)	(4,310.65)
D) Net increase in cash and cash equivalents (A+B+C)	711.21	(908.23)
E) Cash and cash equivalents as at the beginning of the year	7,600.47	8,508.70
F) Cash and cash equivalents as at the end of the year	8,311.68	7,600.47

Standalone Statement of Cash Flow

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Cash and cash equivalents comprises:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash in hand	22.07	24.84
Foreign currencies in hand	604.83	543.93
Balances with banks		
- in current accounts	7,684.78	3,229.98
- in deposit accounts	-	3,801.72
	8,311.68	7,600.47

Note : The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Notes 3 to 52 forms integral part of the Standalone Financial Statements

In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

For and on behalf of the board
Capital India Finance Limited

Milind Agal
Partner
Membership No. : 123314
Place: Mumbai

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Haridwar

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Delhi

Rachit Malhotra
Chief Compliance Officer & Company Secretary
Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

Standalone Statement of Changes in Equity

for the year ended March 31, 2024

(Currency: INR In Lakhs)

A Equity share capital

	Amount
Balance as at April 01, 2022	7,773.43
Changes in equity share capital during the year	-
Balance as at March 31, 2023	7,773.43
Changes in equity share capital during the year	-
Balance as at March 31, 2024	7,773.43

B Other equity

Particulars	Employee stock option outstanding	Reserves and Surplus					Total
		Statutory reserve	Securities premium	General reserves	Retained earnings	Other comprehensive income	
Balance as at April 01, 2022	99.88	1,529.68	42,119.40	1.76	5,494.68	65.50	49,310.90
Dividend On Equity Share	-	-	-	-	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	301.01	-	-	(301.01)	-	-
Other Additions/Deductions during the year	16.81	-	-	-	-	-	16.81
Profit (loss) for the year after income tax	-	-	-	-	1,505.03	-	1,505.03
Other Comprehensive Income for the year before income tax	-	-	-	-	-	18.47	18.47
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(4.65)	(4.65)
Balance as at March 31, 2023	116.69	1,830.69	42,119.40	1.76	6,620.97	79.32	50,768.83
Dividend On Equity Share	-	-	-	-	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	402.05	-	-	(402.05)	-	-
Other Additions/Deductions during the year	220.37	-	-	-	-	-	220.37
Transferred to retained earnings for options lapsed	(7.21)	-	-	-	7.21	-	-
Profit (loss) for the year after income tax	-	-	-	-	2,010.27	-	2,010.27
Other Comprehensive Income for the year before income tax	-	-	-	-	-	(54.78)	(54.78)
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	13.79	13.79
Balance as at March 31, 2024	329.85	2,232.74	42,119.40	1.76	8,158.67	38.33	52,880.75

In terms of our report attached

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

For and on behalf of the board
Capital India Finance Limited

Milind Agal
Partner
Membership No. : 123314
Place: Mumbai

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Haridwar

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Delhi

Rachit Malhotra
Chief Compliance Officer & Company Secretary
Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

1 Corporate Information

Capital India Finance Limited ('the Company') is a public company domiciled in India and incorporated on 16th November 1994 under the provisions of Companies Act, 1956. The Company has received a Certificate of Registration (COR) number B-14.03278 dated August 30, 2017 from the Reserve Bank of India ('RBI') to carry on the business of Non-Banking Financial Institution ('NBFC') without accepting public deposits. The Company has been classified as a Systemically Important Non-Deposit Accepting Non-Banking Financial Company as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 w.e.f. January 28, 2019. The Company is entitled to continue to hold the COR based on its asset / income pattern as on and for the year ended March 31, 2023, which have been computed in terms of RBI Press Release 1998-99/1269 dated April 8, 1999. The company is engaged in the business of foreign exchange services as an Authorised Category II Dealer vide RBI license No. 15/2020 dated September 01, 2020 under the RBI/DNBR/2016-17/45 Master Direction DNBR. PD.008/03.10.119/2016-17. The Company has also been granted an authorization by RBI to undertake inward cross border money transfer activities in India under Money Transfer Service Scheme ("MTSS"). The equity shares of the Company are listed on the Bombay Stock Exchange ("BSE") in India.

2 Material accounting Policies

2.1 Basis of Preparation of financial statements

A) Statement of Compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act and guidelines issued by the RBI or other regulators to the extent applicable.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year's grouping / classifications. There is no impact on Equity or Net Loss due to these regrouping / reclassifications.

The accounting policies are applied consistently to all the periods presented in the financial statements.

B) Functional and presentation currency

The Company's presentation and functional currency is Indian Rupees. All figures appearing in the financial statements are in Indian rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

C) Basis of preparation, presentation and disclosure of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs.

D) Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognized in Statement of Profit and Loss on an appropriate basis over the life of the instrument but not later than when the valuation is wholly supported by observable market data or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

• Level 1 - Valuation using quoted market price in active markets: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

• Level 2 - Valuation using observable inputs: If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

• Level 3 - Valuation with significant unobservable inputs: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Company regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

E) Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the year in which the results are known or materialized, i.e., prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or

complexity, or areas where assumptions are significant to the financial statements include:

- i) Impairment of financial assets
- ii) Estimation of fair value measurement of financial assets and liabilities
- iii) Effective interest rate
- iv) Business model assessment
- v) Provisions and Contingencies
- vi) Useful life and expected residual value of assets
- vii) Tax position for current tax and recognition of deferred tax assets/liabilities
- viii) Measurement of Defined Benefit Obligations and actuarial assumptions
- ix) Classification of lease and related discount rate

2.2 Financial Instruments

a) Recognition and initial measurement -

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of Profit and Loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

b) Classification and Subsequent measurement of financial assets -

On initial recognition, a financial asset is classified as measured at

- Amortized cost
- Fair Value through other comprehensive income (FVTOCI) – debt instruments

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

- Fair Value through other comprehensive income (FVTOCI) – equity instruments
- Fair Value through profit and loss (FVTPL)

Amortized cost - The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

Fair Value through other comprehensive income - debt instruments - The Company measures its debt instruments at FVTOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

Fair Value through other comprehensive income - equity instruments - The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortized cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in Statement of Profit and Loss. Any gain or loss on derecognition is recognized in Statement of Profit and Loss.

Debt investment at FVTOCI is subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in Statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Company makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of Profit and Loss.

c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

d) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

e) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

f) Impairment of financial instruments

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortized cost or FVTOCI, except for investments in equity instruments. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognized and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not

have objective evidence of impairment. For these assets, lifetime ECL are recognized, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognized.

Measurement of Expected Credit Loss

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

- Probability of default (PD):** It is defined as the probability of whether borrowers will default on their obligations in future. Since the company don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognized rating agency is used for estimating the PDs for each range grade.
- Loss given default (LGD):** It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.

The default study published by one of the recognized rating agency is used for estimating the LGD for secured and unsecured loans.
- Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

g) Write offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

h) Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost; as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVTOCI; loss allowance is recognized separately in Balance Sheet and the carrying amount is at fair value.

i) Financial liabilities and equity instruments:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity Instruments issued by the Group are recognized at the proceeds received, net of direct issues costs.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of Profit or Loss. Any gain or loss on derecognition is also recognized in Statement of Profit or Loss.

The Company de-recognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt

instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

j) Foreign currency risk

The company entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, or through forward contracts, thereby ensuring that they are minimal open positions.

2.3 Cash and Cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, foreign currencies and notes, demand deposits with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months.

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

2.4 Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealized foreign currency gains and losses, and undistributed profits of associates and joint ventures; and

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.5 Property, plant and equipment

a) Recognition and Measurement

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

c) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated lives used and differences from the

lives prescribed under Schedule II are noted in the table below: -

Type of Assets	Estimated useful life as assessed by the Company	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Software and system development	3 years	3 years
Office equipment	5 years	5 years
Motor cars	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

Depreciation is provided on a pro-rata basis i.e. from the month in which asset is ready for use. Individual assets costing less than or equals to INR 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognized on a pro-rata basis in the Statement of Profit and Loss up to the date prior to the date by which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

2.6 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/ duty credits availed, if any, less accumulated amortization and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalized as a part of the cost of intangible assets.

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

2.7 Impairment of non-financial assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognized for such excess amount in Statement of Profit and Loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognized are reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognized initially.

2.8 Investment in subsidiaries

Subsidiaries are entities over which the company has control. The Company controls an entity when the company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Investment in subsidiaries are measured at cost less accumulated impairment, if any.

2.9 Provisions, contingent liabilities and contingent assets

Provisions are recognized only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognized as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not recognized in the financial statements

2.10 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loan sanctioned and on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.11 Foreign exchange transactions and translations

Initial recognition: Transactions in foreign currencies are recognized at the prevailing exchange rates between the reporting currency and a foreign currency on the transaction date. On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e., Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. When any non-monetary foreign currency item is recognised in Other Comprehensive Income, gain or loss on exchange fluctuation is also recorded in Other Comprehensive Income.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

2.12 Revenue recognition

Revenue (other than those items to which Ind AS 109 Financial Instruments is applicable) is measured based on the consideration specified in the contracts with the customers. Amounts disclosed as revenue are net of goods and services tax ('GST') and amounts collected on behalf of third parties. Ind AS 115 Revenue from Contracts with Customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in Ind AS 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

a) Recognition of Interest Income

Interest income on financial asset at amortized cost is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). Interest Income is recognized in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortized cost or fair value through other comprehensive income (FVTOCI) except for those classified as held for trading.

The calculation of EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognized in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortized cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets. For financial assets originated or purchased credit-impaired (POCI) the EIR reflects ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income on penal interest and tax refunds is recognized on receipt basis.

Interest income on fixed deposit is recognized on time proportionate basis.

b) Fee and Commission income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in the Company Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees, documentation charges and fees towards foreign currency transactions. Income from consultancy and commission is recognized on completion of relevant activity based on agreed terms of the contract.

c) Other financial charges

Cheque bouncing charges, late payment charges and foreclosure charges are recognized on a point-in-time basis, and are recorded when realized since the probability of collecting such monies is established when the customer pays.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

d) Income from securities

Gains or losses on the sale of securities are recognized in Statement of profit and loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

e) Net gain/ Loss on fair value changes

Any differences between the fair values of the financial assets classified at fair value through the profit or loss, held by the Company on the Balance Sheet date is recognized as an unrealized gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognized in "Net gains on fair value changes" under income and if there is net loss in aggregate, the same is recognized in "Net loss on fair value changes" under expense in the Statement of Profit and Loss.

f) Dividend income

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

g) Income from Foreign Currency

It comprises of income arising from the buying and selling of foreign currencies on the net margins earned, commissions on sale of foreign currency denominated prepaid cards and agency commissions from on currency remittances. Revenue from financial services are recognized by reference to the time of services rendered.

h) Income from de-recognition of assets:

Gains arising out of de-recognition transactions comprise the difference between the interest on the loan portfolio and the applicable rate at which the transaction is entered into with the transferee, also known as the right of excess interest spread (EIS). The future EIS basis the scheduled cash flows on execution of the transaction, discounted at the applicable rate entered into with the transferee is recorded upfront in the statement of profit and loss. EIS is evaluated and adjusted for ECL and expected prepayment.

2.13 Employee benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed

in the period in which the employee renders the related service. Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Long Term employee benefits

Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/ losses, if any, are recognized immediately in the Statement of Profit and Loss.

Post-employment benefits

a) Defined contribution Plans

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognized immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Company's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognized in the Statement of Profit and Loss.

b) Defined benefit Plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorized as follows:

- i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- ii) Net interest expense or income
- iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding

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interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in OCI, net of taxes. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Statement of Profit and Loss.

The Company's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is recognized as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Share based Payments

Equity-settled share-based payments to employees are recognized as an expense at the fair value of equity stock options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognized as expense in each year is arrived at based on the number of grants expected to vest.

2.14 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortized cost. Financial instruments include bank term loans, Vehicle loans and non-convertible debentures. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortized on straight line basis over the tenure of the underlying loan.

2.15 Leases

The company's lease asset classes primarily consist of leases for Premises. The Company at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease

if the contract conveys the right to control use of an identified asset for a time in exchange for a consideration.

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- a) the use of an identified asset,
- b) the right to obtain substantially all the economic benefits from use of the identified asset, and
- c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The cost of the ROU assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The ROU assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU assets.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Notes to Standalone Ind AS Financial Statements

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For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the ROU assets. Where the carrying amount of the ROU assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

2.16 Collateral

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Company provides fully secured, partially secured and unsecured loans to Corporates and individuals.

2.17 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognized in the Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Company. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

2.18 Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.19 Segment reporting

The Board of Directors of the Company has identified Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted at company level. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment Income / costs which relate to the company

as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

Operating segments identified by the Company comprises as under:

- Lending services
- Forex services including MTSS business

2.20 Dividend distribution to equity holders of the Company

The Company recognizes a liability to make distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the Act, final dividend is authorized when it is approved by the shareholders and interim dividend is authorized when it is approved by the Board of Directors of the Company.

2.21 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received and when there is no uncertainty in availing/ utilizing the credits.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

3 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	22.07	24.84
Balances with bank		
in current accounts	7,684.78	3,229.98
in fixed deposits with original maturity 3 months or less	-	3,801.72
Foreign Currencies in hand	604.83	543.93
	8,311.68	7,600.47

4 Bank Balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposit with bank (Maturity more than 3 months)	6,443.42	3,922.80
Dividend account balance	2.83	2.67
	6,446.25	3,925.47

Note :

- a. Fixed Deposits with banks having maturity more than 3 months include deposit against forward cover of INR 42.34 lakhs. (March 31, 2023 INR 40.00 Lakhs).
- b. Balances with banks held as security against borrowings are to the tune of INR 5593.27 Lakhs (March 31, 2023 INR 3841.75 Lakhs).

5 Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables		
Secured considered good;	-	-
Unsecured considered good	663.98	364.86
Subtotal (A)	663.98	364.86
Other receivables		
Secured considered good ;	-	-
Unsecured considered good and	15.52	34.30
Doubtful	-	-
Subtotal (B)	15.52	34.30
Total Receivables (A+B)	679.50	399.16
Less: Allowance for impairment loss	-	-
Net Receivables	679.50	399.16

- i. Other receivables includes amounts due from the related parties 5.16 lakhs (as at March 31, 2023: 4.18 lakhs) [Refer note 35].
- ii. No trade receivables are due from directors or other officers of the Company or any firm or private company in which any director is a partner either severally or jointly with any other person.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Outstanding as at March 31, 2024

Particulars	Unbilled dues	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	-	663.98	-	-	-	-	663.98
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	663.98	-	-	-	-	663.98

Outstanding as at March 31, 2023

Particulars	Unbilled dues	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	-	364.86	-	-	-	-	364.86
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables-considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	-	364.86	-	-	-	-	364.86

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

6 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Advances - at amortised cost		
Vendor financing (Secured)	69.65	15.05
Gross	69.65	15.05
Less: Impairment loss allowance	0.17	0.06
Subtotal (1)	69.48	14.99
(B) Term Loans in India - at amortised cost		
i Secured	69,414.22	75,051.29
ii Unsecured	19,638.87	18,399.48
Gross	89,053.09	93,450.77
Less: Impairment loss allowance	1,914.04	1,749.54
Subtotal (2)	87,139.05	91,701.23
(C) Loans and Advances in India		
i Public Sectors	-	-
ii Others	89,122.74	93,465.82
Gross	89,122.74	93,465.82
Less: Impairment loss allowance	1,914.21	1,749.60
Net	87,208.53	91,716.22
Loans and advances Outside India (Net)	-	-
	87,208.53	91,716.22
Less: Unamortised processing fee Income	539.93	491.13
Less: Collection from customers	962.91	1,982.78
Subtotal (3)	1,502.84	2,473.91
Loans (Net) (1+2+3)	85,705.69	89,242.31

(D) Loans or advances in the nature of loans are granted to promoters, directors, key managerial personnel (KMPs) and the related parties

Outstanding as at March 31, 2024

Sr No	Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans
1	Promoters	-	-
2	Directors	-	-
3	KMPs	-	-
4	Related parties	-	-
	Total	-	-

Outstanding as at March 31, 2023

Sr No	Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans
1	Promoters	-	-
2	Directors	-	-
3	KMPs	-	-
4	Related parties	793.30	0.85%
	Total	793.30	0.85%

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(E) Bifurcation of Secured loans & advances

Particulars	As at March 31, 2024	As at March 31, 2023
Secured by book debt	3,417.63	5,202.37
Secured by tangible asset	65,846.40	69,634.40
Covered by bank or government guarantee	219.84	229.57
Total	69,483.87	75,066.34

Notes:

- (i) There is no loan assets recognised at fair value through profit & loss or fair value through other comprehensive income.
- (ii) Secured loans are secured by underlying securities of lands, commercial properties, residential properties, personal guarantee, corporate guarantee etc.
- (iii) Stage wise classification of loans & impairment allowance is disclosed in Note 42.
- (iv) Refer Note 35 for Related party transaction.

7 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Recorded at Amortized cost		
<i>In India</i>		
Investment in equity instruments (unquoted):		
- <i>In subsidiary companies</i>		
Capital India Home Loans Limited	15,500.00	14,500.00
15,50,00,000 (March 31, 2023: 14,50,00,000) equity shares @ INR 10/- each		
Rapipay Fintech Private Limited	2,136.51	2,136.51
2,08,46,273 (March 31, 2023: 2,08,46,273) equity shares @ INR 10/- each		
Capital India Asset Management Private Limited	7.00	7.00
70,000 (March 31, 2023: 70,000) equity shares @ INR 10/- each		
Recorded at Fair value through P&L		
Investment in liquid mutual fund units (Unquoted)	-	4,427.13
Total	17,643.51	21,070.64
Particulars	As at March 31, 2024	As at March 31, 2023
Investments outside India	-	-
Investments in India	17,643.51	21,070.64
Total (A)	17,643.51	21,070.64
Less: Impairment loss allowance (B)	-	-
Total - Net (C = A - B)	17,643.51	21,070.64

Note:

- (i) Based on assessment, no impairment loss has been recognised for the year ended March 31, 2024 and March 31, 2023.
- (ii) Detail for Investment in Mutual Funds

Particulars	As at March 31, 2024	As at March 31, 2023
Aditya Birla Sun Life Liquid Fund- Growth Direct (March 31, 2023 - 3,46,065 Units)	-	1,256.50
Nippon India Liquid Fund (March 31, 2023 - 29,891 Units)	-	1,646.06
SBI Premier Liquid Fund- Direct (March 31, 2023 - 43,271 Units)	-	1,524.57
TOTAL	-	4,427.13

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

8 Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Interest accrued but not due on fixed deposits	193.41	104.46
Security deposit	647.73	576.46
Deferred consideration on direct assignments	491.14	-
Advance paid to staff	5.10	3.10
Accrued Income	30.21	41.30
	1,367.59	725.32

9 Current tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax and tax deducted at source (Include net of provision)	16.35	616.31
	16.35	616.31

10 Deferred tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset		
Provision for expected credit loss	481.77	440.34
Provision for employee benefits	130.72	87.20
Unamortised processing fee	135.89	123.61
Depreciation	214.27	200.39
Amortization adjustment on Lease deposits	14.46	9.54
Lease Liability	60.67	69.70
Deferred Tax Liabilities		
Unamortised borrowing cost	(228.00)	(265.34)
Interest adjustments on lease deposits	(15.86)	(9.45)
Unrealised gain on MF	-	(2.18)
Lease modification	(8.54)	(8.54)
Deferred consideration on direct assignments	(123.61)	-
Deferred Tax Asset/(Liabilities) Net	661.77	645.27
Movement in Net deferred tax Asset during the year	16.50	46.63

Note:

The Company has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

Break-up of movement in net deferred tax assets		
Routed through Profit & Loss	2.71	51.28
Routed through other comprehensive income	13.79	(4.65)
Total	16.50	46.63

Note :

Refer Note 39 for detail on Income Taxes.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

11 Property, Plant and Equipment

Particulars	As at March 31, 2024					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	604.83	318.59	297.78	662.48	279.41	2,163.09
Additions	7.85	158.23	8.73	180.53	37.51	392.85
Disposals	-	94.66	-	-	11.79	106.45
Gross Block	612.68	382.16	306.51	843.01	305.13	2,449.49
Accumulated depreciation :						
As at the beginning of the year	222.64	255.63	166.45	235.22	146.12	1,026.06
Depreciation for the year	61.60	54.11	41.78	142.42	71.89	371.80
Deduction	-	94.66	-	-	11.22	105.88
Total depreciation	284.24	215.08	208.23	377.64	206.79	1,291.98
Net carrying amount	328.44	167.08	98.28	465.37	98.34	1,157.51

Particulars	As at March 31, 2023					
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Computer & printers	Total
At cost at the beginning of the year	575.86	333.14	292.58	551.11	165.64	1,918.33
Additions	28.97	-	5.20	111.37	117.75	263.29
Disposals	-	14.55	-	-	3.98	18.53
Gross Block	604.83	318.59	297.78	662.48	279.41	2,163.09
Accumulated depreciation :						
As at the beginning of the year	163.57	203.55	111.74	82.98	96.06	657.90
Depreciation for the year	59.07	64.62	54.71	152.24	54.04	384.68
Deduction	-	12.54	-	-	3.98	16.52
Total depreciation	222.64	255.63	166.45	235.22	146.12	1,026.06
Net carrying amount	382.19	62.96	131.33	427.26	133.29	1,137.03

Notes:

- The Company does not hold any immovable property where title deeds are not held in the name of the company and no immovable property are jointly owned with others during the year ended March 31, 2024 and March 31, 2023.
- There is no revaluation of Property Plant and Equipment during the year March 31, 2024 and March 31, 2023.
- The Company does not hold any Benami property under the Benami Transaction (Prohibition) Act, 1983 and Rules made thereunder.
- The Company do not have any investment property as at March 31, 2024 and March 31, 2023.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

11A. Capital -work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	-	-
Additions for the year	30.17	-
Deduction during the year	-	-
Balance as at the end of the year	30.17	-

Capital -work in progress ageing schedule as on March 31, 2024

Particulars	Less than 1 Year	1 – 2 year	2-3 year	More than 3 year	Total
Projects in progress	30.17	-	-	-	30.17
	30.17	-	-	-	30.17

Capital -work in progress ageing schedule as on March 31, 2023

Particulars	Less than 1 Year	1 – 2 year	2-3 year	More than 3 year	Total
Projects in progress	-	-	-	-	-
	-	-	-	-	-

Notes:

There is no project whose completion is overdue or has exceeded its cost compared to its original plan.

11B. Intangible asset under development

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	15.00	0.88
Additions for the year	9.00	15.00
Deduction during the year	-	0.88
Balance as at the end of the year	24.00	15.00

Notes:

There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

Intangible asset under development ageing schedule as on March 31, 2024

Particulars	Less than 1 Year	1 – 2 year	2-3 year	More than 3 year	Total
Projects in progress	9.00	15.00	-	-	24.00
	9.00	15.00	-	-	24.00

Intangible asset under development ageing schedule as on March 31, 2023

Particulars	Less than 1 Year	1 – 2 year	2-3 year	More than 3 year	Total
Projects in progress	15.00	-	-	-	15.00
	15.00	-	-	-	15.00

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

11C Other Intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Computer Software		
At cost, beginning of the year	327.22	308.21
Additions	1.59	19.01
Gross Block	328.81	327.22
Accumulated amortization :		
At beginning of the year	283.70	184.46
Amortization for the year	25.24	99.24
Total amortization	308.94	283.70
Net carrying amount	19.87	43.52

Notes:

There is no revaluation of Intangible Asset during the year ended March 31, 2024 and March 31, 2023.

11D Right of use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Premises		
At beginning of the year	2,762.47	2,762.47
Additions	237.37	-
Gross Block	2,999.84	2,762.47
Accumulated amortization :		
At beginning of the year	1,618.22	1,060.51
Amortization for the year	512.43	557.71
Total amortization	2,130.65	1,618.22
Net carrying amount	869.19	1,144.25

Notes:

- There is no revaluation in Right of use assets during the year ended March 31, 2024 and March 31, 2023.
- Refer Note No. 38 for details for Right of use asset.

12 Other non-financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid expenses	374.47	373.48
Advance to suppliers	97.31	110.34
Balance with statutory authorities	914.13	652.37
Capital advances	26.77	5.29
	1,412.68	1,141.48

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

13 Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
Outstanding dues of Micro and Small Enterprises	-	-
Outstanding dues of other than Micro and Small Enterprises	1,024.66	840.72
Other payables		
Outstanding dues of Micro and Small Enterprises	-	-
Outstanding dues of other than Micro and Small Enterprises	70.77	-
	1,095.43	840.72

Outstanding trade payables as at March 31, 2024

Particulars	Unbilled Dues	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-	-
Other	682.03	342.63	-	-	-	1,024.66
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	682.03	342.63	-	-	-	1,024.66

Outstanding trade payables as at March 31, 2023

Particulars	Unbilled Dues	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-	-
Other	606.89	233.83	-	-	-	840.72
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	606.89	233.83	-	-	-	840.72

Information as required to be disclosed under MSME development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. Following table sets forth, for the year indicated, amount of principal & interest outstanding.

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Principal amount and interest due thereon remaining unpaid to MSME suppliers	-	-
(b) The amount of interest paid in terms of sec 16 of MSMED, 2006 along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(c) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(d) The amount of interest accrued and remaining unpaid as on	-	-
(e) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-
	-	-

Notes:

Refer Note 35 for Related party transaction.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

14 Debt Securities

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
Secured		
Non convertible debentures	-	7,500.00
(Nil for March 31, 2024 and 750 Debentures @ INR 10 Lakh each for March 31, 2023)		
Interest accrued but not due on debt securities	-	553.58
Total	-	8,053.58
Debts in India	-	8,053.58
Debts outside India	-	-
Total	-	8,053.58

ISIN No.	Date of Redemption	As at March 31, 2024	As at March 31, 2023
INE345H07021	July 30, 2023	-	2,500.00
INE345H07013	June 24, 2023	-	5,000.00
Total		-	7,500.00

Terms of repayment

Particulars	Interest Range	Tenure
Non convertible debentures - Secured as at March 31, 2024	-	-
Non convertible debentures - Secured as at March 31, 2023	10.00% - 10.05%	Repayable on respective redemption due date.

i) Security details

- Non convertible debentures is secured against pari passu charge on eligible receivables to the extent of 1.25 times of the obligations.

14A Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
Borrowings		
Secured		
(i) Term loans		
Term loans from Banks	45,572.07	47,621.73
Term loans from Others	5,733.72	3,089.40
Term loans from Financial Institutions	3,600.00	6,000.00
(ii) Vehicle loans from Banks	143.48	49.90
(iii) Working capital loan	2,411.60	-
Unsecured	-	-
Total	57,460.87	56,761.03
Borrowings in India	57,460.87	56,761.03
Borrowings outside India	-	-
Total	57,460.87	56,761.03
Less: Unamortised borrowings costs	905.90	1,054.28
Add: Interest accrued but not due on borrowings	107.91	104.20
Net Borrowings	56,662.88	55,810.95

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Additional information:

- There are no borrowings measured at fair value through other comprehensive income and FVTPL.
- Security details
 - Term loan from banks, Financial Institutions and Others are secured by way of pari passu charge on standard asset portfolio of book debts.
 - Working Capital loan is secured by way of pari passu charge on Forex Cash and Receivables related to Forex segment.
 - Vehicle loans is secured by way of hypothecation of respective vehicles.

Terms of repayment:

Maturity profile and rate of interest of term loans from Banks & Others :

Residual Maturities	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
Rate of Interest				
9.00% to 10.00%	541.67	208.33	-	750.00
10.01% to 11.00%	14,740.48	21,349.24	4,052.78	40,142.50
11.01% to 12.00%	4,539.00	4,812.50	-	9,351.50
12.01% to 12.50%	1,061.79	-	-	1,061.79
Total	20,882.94	26,370.07	4,052.78	51,305.79

Residual Maturities	As at March 31, 2023			
	Up to one year (April 2023 to March 2024)	1-3 years (April 2024 to March 2026)	3 years & above (April 2026 onwards)	Total
Rate of Interest				
9.00% to 10.00%	3,966.59	7,434.41	1,654.94	13,055.94
10.01% to 11.00%	10,946.39	15,774.82	4,798.95	31,520.16
11.01% to 12.00%	2,577.09	1,891.27	-	4,468.36
12.01% to 12.50%	833.33	833.34	-	1,666.67
Total	18,323.40	25,933.84	6,453.89	50,711.13

Maturity profile and rate of interest of term loans from Financial Institutions :

Residual Maturities	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
Rate of Interest				
10.25%	2,880.00	720.00	-	3,600.00
Total	2,880.00	720.00	-	3,600.00

Residual Maturities	As at March 31, 2023			
	Up to one year (April 2023 to March 2024)	1-3 years (April 2024 to March 2026)	3 years & above (April 2026 onwards)	Total
Rate of Interest				
10.00%	2,500.00	3,500.00	-	6,000.00
Total	2,500.00	3,500.00	-	6,000.00

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Maturity profile and rate of interest of Vehicle Loans :

Residual Maturities \ Rate of Interest	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
8.00% to 9.00%	35.11	60.60	47.77	143.48
Total	35.11	60.60	47.77	143.48

Residual Maturities \ Rate of Interest	As at March 31, 2023			
	Up to one year (April 2023 to March 2024)	1-3 years (April 2024 to March 2026)	3 years & above (April 2026 onwards)	Total
7.00% to 8.00%	10.34	15.89	-	26.23
8.01% to 9.00%	23.67	-	-	23.67
Total	34.01	15.89	-	49.90

iii) There are no borrowing guaranteed by directors, promoters, key managerial personnel (KMPs) and/ or the related parties as at March 31, 2024. (March 31, 2023: Nil)

iv) The Company has not defaulted in repayment of principal and interest during the year ended March 31, 2024 (March 31, 2023: Nil).

v) **Borrowing obtained on the basis of security of current assets**

Borrowings from banks or financials institutions are secured by way of pari passu floating charge over the eligible receivables. Further, the Company has filed monthly statement of security cover with Security Trustee and banks reconciling with books of accounts.

vi) **End use of borrowings**

The Company has utilised the borrowed funds for purposes for which it was availed.

vii) **Other**

The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period for borrowings.

15 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Advances received from customer	1,050.32	717.67
Unclaimed dividends	2.80	2.65
Book overdraft	2,796.79	1,405.74
Payable to employees	41.00	53.95
	3,890.91	2,180.01

16 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 36)	146.29	78.85
Provision for compensated absence (refer note 36)	43.26	35.73
Provision for performance bonus	535.00	663.54
	724.55	778.12

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

17 Other non financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	294.05	173.44
	294.05	173.44

18 Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of INR 10 each	20,40,00,000	20,400.00	20,40,00,000	20,400.00
Preference shares of INR 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	21,40,00,000	21,400.00	21,40,00,000	21,400.00
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	7,77,34,260	7,773.43	7,77,34,260	7,773.43
Total issued, subscribed and fully paid up share capital	7,77,34,260	7,773.43	7,77,34,260	7,773.43

a. **Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
At the beginning of the year	7,77,34,260	7,773.43	7,77,34,260	7,773.43
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the year	7,77,34,260	7,773.43	7,77,34,260	7,773.43

b. **Terms and rights attached to fully paid up equity shares:**

The Company has only one type of equity shares having par value of INR 10 each. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their holdings.

c. **Shares in the Company held by each shareholder holding more than 5% shares**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	%	Number	%
Equity shares of INR 10 each				
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	5,67,75,720	73.04%	5,67,75,720	73.04%
Dharampal Satyapal Limited	87,00,602	11.19%	61,97,800	7.97%
DS Chewing Products LLP	17,56,800	2.26%	43,16,800	5.55%
	6,72,33,122	86.49%	6,72,90,320	86.56%

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

d. Shares held by promoters at the end of year

Promoter name	As at March 31, 2024		
	No. of shares	%	% change during the year
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	5,67,75,720	73.04%	NIL

Promoter name	As at March 31, 2023		
	No. of shares	%	% change during the year
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	5,67,75,720	73.04%	NIL

e. The Company has not reserved any shares for issues under options & contracts / commitments for the sale.

f. The Company has not issued bonus shares or shares for consideration other than cash.

The Company has not bought back any of its securities.

g. The Company has not:

(i) Issued any securities convertible into equity / preference shares

(ii) Issued any shares where calls are unpaid

(iii) Forfeited any shares

19 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Reserve under Section 45-IC of the RBI Act, 1934	2,232.74	1,830.69
Securities premium	42,119.40	42,119.40
Employee stock option outstanding account	329.85	116.69
General reserve	1.76	1.76
Retained earnings	8,158.67	6,620.97
Other comprehensive income	38.33	79.32
	52,880.75	50,768.83

Notes:

i) Statutory Reserve under Section 45-IC of the RBI Act, 1934:

The Company created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

ii) Securities premium:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. The account is utilised in accordance with the provisions of the Companies Act 2013.

iii) Employee stock option outstanding account:

The reserve is used to recognise the fair value of the options issued to employees of the Company and subsidiary companies under Company's employee stock option scheme.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

iv) General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, the requirements is not mandatory to transfer a specified percentage of the net profit to general reserve.

However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

v) Retained earnings:

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

vi) Other Comprehensive Income - Remeasurement of Post Employment Benefit Obligations

The Company Recognises change on account of remeasurement of the net defined benefit liability (asset) as part of other comprehensive income.

20 Interest income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	On Financial Assets measured at Amortised Cost	On Financial Assets measured at Amortised Cost
Interest on loans	12,740.17	11,921.45
Interest income on vendor financing	12.24	73.93
Interest on deposits with banks	548.84	211.03
Other interest income	639.50	514.31
	13,940.75	12,720.72

21 Net gain on fair value changes

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
Mutual fund units	356.94	217.69
Total Net gain/(loss) on fair value changes	356.94	217.69
Fair Value changes*		
Realised	356.94	209.01
Unrealised	-	8.68

Note : Fair value changes in this schedule are other than those arising on account of interest income/expense

22 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on income tax refund	37.19	23.06
Profit on sale of fixed assets	19.70	-
Miscellaneous income	128.36	59.02
Other business support income	61.45	78.54
Other foreign exchange service income	7.28	25.46
	253.98	186.08

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

23 Finance cost

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	6,800.93	5,066.71
Interest on Debt Securities	208.96	851.39
Interest on lease liability	108.87	159.55
Other finance costs	36.36	218.46
	7,155.12	6,296.11

24 Impairment of financial instruments

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On Loans (On Financial instruments measured at Amortised Cost)	164.60	(65.63)
	164.60	(65.63)

25 Employee benefits expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages including bonus	5,333.65	4,519.36
Contribution to provident and other funds	267.17	216.70
Share Based Payments to employees	220.37	16.81
Staff welfare expenses	208.95	116.65
	6,030.14	4,869.52

Refer Note No 36 for Gratuity & Leave encashment and Note No. 37 for Share based Payments to employees.
Refer Note No 35 for Related Party Transactions.

26 Others expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent	310.04	215.69
Rate, fee & taxes	53.75	47.20
Repairs & maintenance	163.48	135.64
Office expenses	279.56	221.51
Electricity charges	58.41	47.89
Communication expenses	59.82	56.64
Printing & stationery	54.56	50.63
Insurance	131.34	128.68
Membership & subscription	49.54	36.79
Travelling & conveyance	350.97	323.67
Advertisement, marketing & business promotion expenses	154.73	226.71
Commission & brokerage	164.66	36.80
Auditor's remuneration (Refer Note 27)	26.32	26.25
Legal & professional charges	504.18	539.31
Listing fee	5.18	4.07
Directors sitting fees	50.25	41.64
CSR expense (Refer Note 32)	40.00	58.00
Loss on sale of Property, Plant and Equipments	-	0.08
Miscellaneous expenses	5.65	10.87
	2,462.44	2,208.07

Refer Note No 35 for Related Party Transactions.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

27 Auditors Remuneration

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit	20.71	20.71
Taxation matters (Tax audit fees)	1.65	1.64
Certification fees & Other services	3.96	3.90
	26.32	26.25

28 Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share"

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Basic			
Profit after tax (INR In Lakhs)	A	2,010.27	1,505.03
Weighted average number of equity shares outstanding	B	7,77,34,260	7,77,34,260
Basic earning per share (INR)	A/B	2.59	1.94
Diluted			
Profit after tax (INR In Lakhs)	A	2,010.27	1,505.03
Weighted average number of equity shares outstanding	B	7,77,34,260	7,77,34,260
Add: Weighted average number of potential equity shares on account of employee stock options	C	8,61,753	4,46,459
Weighted average number of shares outstanding for diluted EPS	D=B+C	7,85,96,013	7,81,80,719
Diluted earning per share (before and after extraordinary items) (INR)	A/D	2.55	1.92
Face value of shares (INR)		10.00	10.00

29 Transactions in foreign currency:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Earnings in foreign currency		
Export of foreign currencies	-	866.05
Commission received (Forex)	33.52	11.77
Commission received (Western Union)	89.00	21.70
Expenditure in foreign currency		
Subscription charges	4.02	-

Note :

A Forward Cover Outstanding

The Company uses forward exchange contract to hedge against its foreign currency exposures related to underlying transaction and firm commitments.

The Company does not enter into any derivatives instruments for trading or speculative purpose.

The forward exchange contracts outstandings as at March 31, 2024 are as under currency exchnage USD/INR

- Number of Sale Contracts: 2 (March 31, 2023 : NIL)
- Aggregate Amount: INR 383.77 Lakhs (March 31, 2023: NIL)

Notes to Standalone Ind AS Financial Statements
for the year ended March 31, 2024
(Currency: INR In Lakhs)

B Unhedge Foreign Currency Exposure (UFCE)

Particulars	Foreign Currency Exposures as on March 31, 2024										
	Total Foreign Currency			Hedged through forward or derivative*			Natural Hedge			Total Unhedge Foreign Currency Exposure	
	< 1 year	> 1 to 5 Years	Total	< 1 year	> 1 to 5 Years	Total	< 1 year	> 1 to 5 Years	Total	< 1 year	> 1 to 5 Years
Foreign Currency Receivables											
Exports	-	-	-	-	-	-	-	-	-	-	-
Loans to Joint Ventures/ Wholly Owned Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Others **	604.83	-	604.83	-	-	-	-	-	-	604.83	604.83
Total Receivables (i)	604.83	-	604.83	-	-	-	-	-	-	604.83	604.83
Foreign Currency Payables											
Imports	-	-	-	-	-	-	-	-	-	-	-
Trade Credits	-	-	-	-	-	-	-	-	-	-	-
External Commercial Borrowings	-	-	-	-	-	-	-	-	-	-	-
Others \$	102.43	-	102.43	102.43	-	102.43	-	-	-	-	-
Total Payables (ii)	102.43	-	102.43	102.43	-	102.43	-	-	-	604.83	604.83
Total Unhedge Foreign Currency Exposure (Receivables + Payables (i+ii))	707.26	-	707.26	102.43	-	102.43	-	-	-	604.83	604.83

* Note: Covered Option(s) is/are not included.

** Others include physical stock of Foreign Currency notes for forex segment.

s Others include liability towards Forex Prepaid Cards (Thomas Cook India Limited (TCIL) & ICICI Bank) for forex segment.

Earnings before interest and depreciation (EBID) (i.e. profit after tax, depreciation, Interest on debt, lease rentals) as per Audited financials for FY 23-24 is INR 10,384.91 Lakhs and FY 22-23 is INR 9,058.46 Lakhs. The overall banking exposure is INR 57,317.39 Lakhs (March 31, 2023 INR 64,211.13 Lakhs) (Term Loans, Working Capital & NCDs).

The details given above are in conformity with the specification laid down in RBI circular no. RBI/2013-14/448 BOD.NO.BP.BC.85/21.06.200/2013-14 dated January 15, 2014 and RBI/2013-14/620 DBOD.NO.BP.BC.116/21.06.200/2013-14 dated June 03, 2014, as amended time to time, and FEDAI circular SPL-05.BC/UFCE format/2018 dated May 17, 2018.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

30 Dividend distribution to equity shareholders

The Board of Directors at its meeting held on May 22, 2024 has recommended dividend of INR 0.10 per equity share (March 31, 2023: INR 0.10 per share) amounting to INR 77.73 Lakhs (March 31, 2023: INR 77.73 Lakhs) on ordinary equity shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

31 Disclosure pursuant to Ind AS 108 “Operating Segment”

Sr. No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i	Segment Revenue		
	Lending Business	15,019.11	13,077.60
	Forex Services	4,447.23	3,265.46
	Income from Operations	19,466.34	16,343.06
ii	Segment Results		
	Lending Business	1,835.27	1,506.37
	Forex Services	909.29	486.99
	Profit before tax	2,744.56	1,993.36
	Income Tax expenses		
	Current Tax	737.00	539.61
	Deferred Tax Asset	(2.71)	(51.28)
	Net Profit	2,010.27	1,505.03

Sr. No		As at March 31, 2024	As at March 31, 2023
iii	Segment Assets		
	Lending Business	1,17,467.01	1,21,749.55
	Forex Services	6,200.63	4,695.10
	Unallocated	678.12	1,261.58
	Total assets	1,24,345.76	1,27,706.23
iv	Segment Liabilities		
	Lending Business	59,548.83	67,831.84
	Forex Services	4,142.75	1,332.13
	Unallocated	-	-
	Total liabilities	63,691.58	69,163.97
	Net Segment assets and liabilities	60,654.18	58,542.26

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Board of Directors (‘BOD’) of the Company has identified CODM as defined by Ind-AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Company is organised primarily into two operating segments, i.e. Lending business and Forex services. Lending business includes providing finance to Small medium enterprises, retail customers and real estate for a variety of purposes like purchase of commercial equipment, personal purposes, enterprise loans,etc. Revenue from lending business includes (i) interest income and (ii) fees income. Forex services comprises of overseas remittances, foreign currency prepaid travel card, Money Transfer Service Scheme (“MTSS”), import and export foreign currency notes.

Secondary Segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments.

Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

f) Disclosure for other material non cash item

There are no other material non cash items which have not been disclosed in the above disclosure.

32 Disclosure pertaining to corporate social responsibility expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Average net profit of the company	2,138.09	2,848.43
Two percent of average net profit of the company	42.76	56.97
Amount required to be set-off for the financial year, if any	8.42	7.39
Total CSR obligation for the financial year	34.34	49.58
Amount spent on CSR projects	40.00	58.00
Excess amount spent for the Financial Year	5.66	8.42

Nature of CSR activities

The Company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year the Company has spent INR 40 Lakhs under CSR activity. The amount is spent towards Rural Development, Livelihood, Health, Education and Environment.

33 Contingent Liabilities and Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent liabilities		
Claims against the Company not acknowledged as debt	-	-
Guarantees		
- Bank Guarantees	-	-
- Others (Issued on behalf of a subsidiary Company i.e. Capital India Home Loans Limited)	28,373.58	22,484.57
Total A	28,373.58	22,484.57
Commitments		
Undrawn committed sanctions to borrowers	816.95	930.53
Total B	816.95	930.53
Total (A+B)	29,190.53	23,415.10

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

34 In compliance with Ind AS - 27 'Separate Financial Statements', the required information is as under.

Particulars	Principal place of Business	Percentage (%) of ownership Interest	
		For the year ended March 31, 2024	For the year ended March 31, 2023
Subsidiaries			
Capital India Home Loans Limited	India	99.90%	99.89%
Capital India Assets Management Private Limited	India	100.00%	100.00%
Rapipay Fintech Private Limited	India	52.50%	52.50%

35 Disclosure of Related party transactions pursuant to (Ind AS - 24) and Companies act 2013 "Related Party Disclosures"

(i) Names of related parties (with whom transactions were carried out during the year):

Name of the related party	Nature of relationship
Capital India Corp Private Limited (Formerly known as Capital India Corp LLP)	Holding Company
Capital India Home Loans Limited	Subsidiary
Capital India Wealth Management Private Limited	Fellow Subsidiary
CIFL Holdings Private Limited	Fellow Subsidiary
Capital India Asset Management Private Limited	Wholly owned subsidiary
NYSE Investech Private Limited	Fellow Subsidiary (upto April 14, 2022)
(Formerly Known as Kuants Wealth Private Limited)	Step Down Subsidiary (from April 14, 2022)
Rapipay Fintech Private Limited	Subsidiary
Credenc Web Technologies Private Limited	Associate through Subsidiary (upto May 16, 2023)
	Fellow Subsidiary (from May 16, 2023)
Yellow Whale Technologies Private Limited	Fellow Subsidiary (from 17 Jan, 2023)
NYSE Insurance Broking Private Limited	Step Down Subsidiary (from 01 June, 2022)
Atulya Foundation	Enterprise over which control is exercised by the Company
Treis Solutions LLP	Entity under control of a person having joint control over the Company
Dr. Harsh Kumar Bhanwala	Chairman (upto Jan 24, 2024)
Mr. Keshav Porwal	Managing Director
Mr. Vineet Kumar Saxena	Chief Executive Officer (upto Aug 08, 2023)
Mr. Pinank Jayant Shah	Chief Executive Officer (from Aug 09, 2023)
Mr. Neeraj Toshniwal	Chief Financial Officer (upto Aug 19, 2022)
Mr. Vikas Srivastava	Chief Financial Officer (from Oct 21, 2022)
Mr. Rachit Malhotra	Chief Compliance Officer & Company Secretary
Mr. Deepak Vaswan	Relative of a person having joint control over the Company
Mr. Yogendra Pal Singh	Independent Director
Mr. Vinod Somani	Independent Director (upto Jan 25, 2024)
	Non-Executive Chairman (Independent) (from Jan 25, 2024)
Mrs. Rashmi Fauzdar	Independent Director (from Aug 24, 2023)
Ms. Jyuthika Mahendra Jivani	Independent Director (from March 20, 2024)
Mrs. Rachna Dikshit	Independent Director (upto Aug 08, 2023)
Mr. Subhash Chander Kalia	Independent Director

Note: Related party and their relationships are reported only where the Company has transactions with those parties during the current year / previous year.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(ii) Details of transaction with related parties are as under:

Name of Related Parties	Transaction with Related Parties	For the year ended March 31, 2024	For the year ended March 31, 2023
Capital India Corp Private Limited (Formerly known as Capital India Corp LLP)	Royalty Paid	70.00	70.00
	Dividend	56.78	56.78
Capital India Home Loans Limited	Reimbursement expenses	5.00	5.37
	Reimbursement received	12.09	9.28
	Purchase of Fixed Assets	0.41	-
	Sale of Fixed Assets	-	0.01
	Ticket & Hotel Booking	13.10	-
	Interest Income received	0.38	65.53
	Loan Portfolio Assigned In	936.18	2,616.06
	Investment in equity shares	1,000.00	-
	Commission expenses	1,423.30	499.77
Rapipay Fintech Private Limited	Receipt against FLDG	570.38	-
	Ticket & Hotel Booking	10.14	-
	Net Sale of foreign currencies	4.11	18.83
	Reimbursement received	55.91	20.39
Capital India Asset Management Private Limited	Investment in equity shares	-	2.00
Atulya Foundation	CSR Expenses	40.00	58.00
Treis Solutions LLP	Interest Income received	-	60.45
Credenc Web Technologies Private Limited (Fellow Subsidiary)	Loan given	-	700.00
	Repayment of Loan	700.00	-
	Interest Income received	48.33	35.53
	Commission expenses	60.78	271.39
	Ticket & Hotel Booking	13.39	-
	Rent expenses	-	13.84
	Reimbursement received	45.35	13.64
Mr. Deepak Vaswan	Consultancy fees paid	24.83	149.00
	Remuneration Paid	46.67	-
	Sale of Foreign Currencies	0.29	0.88
Dr. Harsh Kumar Bhanwala	Remuneration paid	185.49	217.89
	Sale of Foreign Currencies & Travel Services	4.80	14.33
Mr. Keshav Porwal	Remuneration paid	250.96	200.92
	Sale of Foreign Currencies & Travel Services	1.09	-
Mr. Vineet Kumar Saxena	Remuneration paid	299.52	321.00
	Sale of Foreign Currencies	0.49	2.05
Mr.Pinank Jayant Shah	Remuneration paid	200.93	-
Mr. Neeraj Toshniwal	Remuneration paid	-	95.00
Mr. Vikas Srivastava	Remuneration paid	117.80	44.26
Mr. Rachit Malhotra	Remuneration paid	81.02	80.70
	Ticket & Hotel Booking	0.61	-
Mr. Yogendra Pal Singh	Sitting fees paid	11.60	9.55
Mr. Vinod Somani	Sitting fees paid	12.65	9.90
Mrs. Rashmi Fauzdar	Sitting fees paid	6.15	-
Mrs. Rachna Dikshit	Sitting fees paid	5.50	10.25
Mr. Subhash Chander Kalia	Sitting fees paid	10.20	8.50

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(iii) Balance as at

Name of Related Parties	Closing Balances	As at March 31, 2024	As at March 31, 2023
Capital India Home Loans Limited	Loan	-	87.78
	Accrued Interest	-	0.46
Rapipay Fintech Private Limited	Advance against FLDG	42.56	-
	Trade Payables	(219.32)	(111.07)
Credenc Web Technologies Private Limited	Trade Receivables/ (Trade Payables)	0.98	(8.36)
	Loan	-	700.00
	Accrued Interest	-	5.06
Atulya Foundation	Prepaid CSR	-	2.00
NYE Investech Private Limited (Formerly Known as Kuants Wealth Private Limited)	Other Receivables	4.18	4.18

Notes:

- Includes allocated shared expenses
- Investments in equity shares of subsidiaries have been disclosed under - Investments (Refer Note 7)
- Excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.
- All related party transactions entered during the year were in the ordinary course of business and on arm's length basis.

36 Employee benefits

(A) Defined Contribution Plan - Provident Fund (PF) Contribution

The Company makes contributions towards PF, in respect of qualifying employees. The amount recognised as an expense and included in Note 25 "Employee benefits expense " under the head "Contribution to Provident and Other Funds" are as under.

The employees of the Company are members of a retirement contribution plan operated by the government. The Company is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Company with respect to the plan is to make the specified contributions.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer's Contribution to Provident Fund	223.80	176.91

(B) Defined Benefit Plan - Gratuity

The Company has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the Company. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Mortality & disability :

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the company, which results in a higher liability for the company and is therefore a plan risk for the Company.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service.

Withdrawals :

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

The disclosure as required by Indian Accounting Standard (Ind AS) -19 "Employee Benefits" is as under.

Particulars	As at March 31, 2024	As at March 31, 2023
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	7.15%	7.30%
Rate of increase in compensation	8.00%	8.00%
Expected average remaining service	23.00%	23.00%
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	78.85	57.63
Interest Cost	5.44	3.41
Current Service Cost	37.68	34.90
Impact of liability assumed or (settled)	-	1.38
Actuarial (Gains) / Losses	54.78	(18.47)
Benefits Paid	(30.47)	-
Closing Defined Benefit Obligation	146.29	78.85

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Reconciliation of net defined benefit (asset)/liability		
Present value of obligation as at the end of year	146.29	78.85
Fair value of plan assets as at the end of year		
Recognised in Balance Sheet - (Asset) / Liability	146.29	78.85
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	-	(10.23)
Due to Financial Assumption	0.99	(4.61)
Due to Experience	53.79	(3.63)
Net Actuarial (Gain)/ Loss on Obligation	54.78	(18.47)
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-
V. Net Interest		
Interest Expense	5.44	3.41
Interest Income	-	-
Net Interest Exp/(Income)	5.44	3.41
VI. Expenses Recognised in Profit and Loss account under		
Employee benefit expenses		
Current Service Cost	37.68	34.90
Net Interest Exp/(Income)	5.44	3.41
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	43.12	38.31
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on Obligation	54.78	(18.47)
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	54.78	(18.47)
VIII. Others		
Weighted average duration of defined benefit Obligation	4.54	4.86

Sensitivity analysis :

Sensitivity analysis for significant actuarial Assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 100 basis points:

Particulars	As at March 31, 2024	As at March 31, 2023
Change in rate of Discount Rate + 100 basis points	139.90	75.17
Change in rate of Discount Rate- 100 basis points	153.20	82.84
Change in rate of Salary Escalation Rate + 100 basis points	153.08	82.77
Change in rate of Salary Escalation Rate - 100 basis points	139.89	75.16
Change in rate of Attrition Rate + 100 basis points	144.76	77.56
Change in rate of Attrition Rate - 100 basis points	147.86	80.17

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

The Expected Payout

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	24.33	8.61
Year 2	23.10	11.43
Year 3	24.91	12.04
Year 4	26.00	14.87
Year 5	21.69	17.87
Year 6 and above	91.95	53.08

Notes:

1 Compensated Absences

The change towards compensated absences based on actuarial valuations using the projected unit credit method is as follows:

Particulars	March 31, 2024	March 31, 2023
Amount Recognised as compensated absences in statement of profit and loss	7.53	5.12
Provision for compensated absences	43.26	35.73

2 Since the gratuity plan and Leave encashment plan of the Company is not funded, and hence the disclosure related to plan assets are not applicable.

3 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

37 Employee Stock Option Plan

A. The shareholders of the Company passed a resolution through postal ballot/ e-voting on September 23, 2018 for approval of the issue of 35,00,000 options under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme "CIFL EMPLOYEE STOCK OPTION PLAN 2018", the Nomination and Remuneration Committee of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2024

a) Weighted average exercise price per options for the period ended March 31, 2024 and March 31, 2023 at INR 72/-

Particulars	Options (Numbers)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Option outstanding at the beginning of the year	11,09,500.00	15,29,500.00
Granted during the year	-	2,00,000.00
Vested during the year	1,36,375.00	2,29,250.00
Exercised during the year	-	-
Lapsed during the year	1,07,000.00	6,20,000.00
Options outstanding at the end of the year	10,02,500.00	11,09,500.00

b) Weighted average exercise price per options for the period ended March 31, 2024 and March 31, 2023 at INR 90/-

Particulars	Options (Numbers)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Option outstanding at the beginning of the year	80,000.00	25,000.00
Granted during the year	-	87,000.00
Vested during the year	20,000.00	6,250.00
Exercised during the year	-	-
Lapsed during the year	-	32,000.00
Options outstanding at the end of the year	80,000.00	80,000.00

c) Weighted average exercise price per options for the period ended March 31, 2024 at INR 92/-.

Particulars	Options (Numbers)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Option outstanding at the beginning of the year	-	-
Granted during the year	16,54,700.00	-
Vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	16,54,700.00	-

B. The shareholders of the Company passed a resolution through postal ballot/ e-voting on December 9, 2023 for approval of the issue of 40,00,000 options under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2023" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme "CIFL EMPLOYEE STOCK OPTION PLAN 2023", the Nomination and Remuneration Committee of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 4 (Four) years from the date of Grant. The Board at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which shall not be more than 5 (Five) years from the date of Vesting of Options.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Weighted average exercise price per options for the period ended March 31, 2024 at INR 92/-

Particulars	Options (Numbers)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Option outstanding at the beginning of the year	-	-
Granted during the year	23,32,100.00	-
Vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	23,32,100.00	-

Weighted average remaining contractual life for options outstanding as at March 31, 2024 is 2 year 6 months (Previous year 2 years and 3 month).

Options available for Grant as at March 31, 2024 is 24,30,700 and as at March 31, 2023 is 23,10,500.

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As at March 31, 2024	As at March 31, 2023
Risk-free interest rate	6.83% - 6.93%	6.55% - 6.97%
Expected life of the option	1 year to 5 years	1 year to 4 years
Expected annual volatility of shares	12.01% to 24.88%	17.30% to 27.12%
Expected dividend yield	0.13%	0.13%

During the year ended March 31, 2024, the company recorded an employee stock compensation expense of INR 220.37 Lakhs (March 31, 2023 expense of INR 16.81 Lakhs) in the Statement of Profit and Loss.

38 Disclosure Pursuant to Ind AS 116 "Leases"

The following is the movement in Right of Use Assets

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	2,762.47	2,762.47
Additions during the year	237.37	-
Gross Total	2,999.84	2,762.47
Total Amortization	2,130.65	1,618.22
Closing balance	869.19	1,144.25

The following is the movement in lease liabilities

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	1,327.15	1,813.36
Additions during the year	225.36	-
Deletions during the year	-	-
Finance cost accrued during the year	108.87	159.55
Payment of lease liabilities	(637.62)	(645.76)
Closing balance	1,023.76	1,327.15

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Maturity analysis of Lease Liabilities (on an undiscounted basis):

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than 1 year	439.43	637.62
Later than 1 year and not later than 5 years	755.42	862.55
Later than 5 years	-	66.13
Total	1,194.85	1,566.30

Amount recognised in statement of Profit & Loss account during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Rent expense recognised for short term and low value leases	310.04	215.69
Depreciation on RoU assets	512.43	557.71
Interest expenses on lease liabilities	108.87	159.55
Unwinding of security deposits	14.83	24.20

Note:

- The Company does not have variable lease payments during the year (March 31, 2023 - NIL)
- The Company has not subleased right of use asset during the year (March 31, 2023 - NIL)
- The Company does not have any significant restrictions or covenants imposed by leases (March 31, 2023 - NIL)
- The Company does not have any committed undiscounted leases that has not yet commenced as at March 31, 2024 (March 31, 2023 - NIL)

39 Disclosure pursuant to Ind AS 12 'Income Taxes'

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax:		
In respect of current year	737.00	539.61
In respect of prior years	-	-
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	(2.71)	(51.28)
Total Income Tax recognised in profit or loss		
Current tax	737.00	539.61
Deferred tax	(2.71)	(51.28)
Total Income Tax recognised in profit or loss	734.29	488.33

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	13.79	(4.65)
Total Income tax recognised in Other comprehensive income	13.79	(4.65)

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(iii) Reconciliation of effective tax rate :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before Tax	2,744.56	1,993.36
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	690.75	501.69
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	465.18	378.37
Dividend income exempt from income tax		
Deductions available under income tax	(418.93)	(340.45)
Income Tax expense recognised in profit and loss	737.00	539.61
Deferred Tax recognised in profit and loss	(2.71)	(51.28)
Tax recognised in profit and loss	734.29	488.33
Actual effective income tax rate (%)	26.75%	24.50%

(iv) Movement in temporary differences

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Credit / (Charge) in the Statement of Profit and Loss during the year		
Loans & Advances	53.71	(2.77)
Property, Plant and Equipment & Intangible assets	13.88	38.80
ROU and Lease liability	(10.52)	3.36
Borrowings	37.34	(30.28)
Investments	2.18	(2.18)
Provisions	29.73	44.50
Deferred consideration on direct assignments	(123.61)	-
Advances to staff	-	(0.15)
Total (a)	2.71	51.28
Credit / (Charge) in the other comprehensive income during the year		
Provisions - employee benefit expenses for the year	13.79	(4.65)
Total (b)	13.79	(4.65)
Net deferred income tax asset at the beginning (c)	645.27	598.64
Net deferred tax asset/(Liabilities) at the end of the year (d)	661.77	645.27
= (a) + (b) + (c)		

The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

40 Maturity Analysis of Assets & Liabilities

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
ASSETS						
Financial Assets						
Cash & cash equivalents	8,311.68	-	8,311.68	7,600.47	-	7,600.47
Bank balances other than Cash & cash equivalents	3,632.64	2,813.61	6,446.25	2,839.53	1,085.94	3,925.47
Receivables						
- Trade Receivables	663.98	-	663.98	364.86	-	364.86
- Other Receivables	15.52	-	15.52	34.30	-	34.30
Loans	21,570.75	64,134.94	85,705.69	22,845.61	66,396.70	89,242.31
Investments	-	17,643.51	17,643.51	4,427.13	16,643.51	21,070.64
Other financial assets	375.20	992.39	1,367.59	148.86	576.46	725.32
Non-financial Assets						
Current tax assets(net)	-	16.35	16.35	-	616.31	616.31
Deferred tax asset (net)	-	661.77	661.77	-	645.27	645.27
Property, plant and equipment	-	1,157.51	1,157.51	-	1,137.03	1,137.03
Capital work in progress	-	30.17	30.17	-	-	-
Intangible Assets	-	19.87	19.87	-	43.52	43.52
Intangible Asset Under Development	-	24.00	24.00	-	15.00	15.00
Right of use assets	-	869.19	869.19	-	1,144.25	1,144.25
Other non-financial assets	318.98	1,093.70	1,412.68	297.60	843.88	1,141.48
Total Assets	34,888.75	89,457.01	1,24,345.76	38,558.36	89,147.87	1,27,706.23
LIABILITIES						
Financial Liabilities						
Payables						
(i) Trade Payables	1,024.66	-	1,024.66	840.72	-	840.72
(ii) Other Payables	70.77	-	70.77	-	-	-
Debt Securities	-	-	-	8,053.58	-	8,053.58
Borrowings	25,923.52	30,739.36	56,662.88	20,549.71	35,261.24	55,810.95
Lease liability	352.76	671.00	1,023.76	530.62	796.53	1,327.15
Other financial liabilities	3,890.91	-	3,890.91	2,180.01	-	2,180.01
Non-Financial Liabilities						
Provisions	573.64	150.91	724.55	568.94	209.18	778.12
Other non-financial liabilities	294.05	-	294.05	173.44	-	173.44
Total Liabilities	32,130.31	31,561.27	63,691.58	32,897.02	36,266.95	69,163.97
Net	2,758.44	57,895.74	60,654.18	5,661.34	52,880.92	58,542.26
Other undrawn commitments						
Total commitments	816.95	-	816.95	930.53	-	930.53

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

41 Capital Management

For the purpose of the Company's capital management capital includes issued capital and equity reserves. The primary objective of the Company's capital management is to ensure that the Company complies with RBI prescribed Capital adequacy requirements and maintains adequate capital to support its business and maximise shareholders value. The Capital to Risk Weighted Asset Ratio (CRAR) of the company is as under.

Items	As at March 31, 2024	As at March 31, 2023
CRAR (%)	36.58%	35.92%
CRAR - Tier I capital (%)	35.94%	34.89%
CRAR - Tier II capital (%)	0.64%	1.03%
Liquidity Coverage Ratio	225.51%	1069.86%
Debt Equity Ratio	0.93	1.09

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Company has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as a part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the company comprises of share capital, share premium, reserves and Tier II capital comprises of provision on loans that are not credit-impaired. There were no changes in the capital management process during the years presented.

42 Financial Risk Management

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of directors has constituted the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The Company's risk management committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Company has exposure to the following risks arising from its business operations:

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Company's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Company primarily offers loans secured by immovable property. In order to mitigate credit risk, company also seeks collateral appropriate to the product segment. Other means of mitigating credit risk that the company uses are guarantees. The most common types of collateral the company receives, measured by collateral value, are mortgages on financial assets in the form of real estate.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

a) Maximum exposure to the Credit risk

The table below shows the Company's maximum exposure to the credit risk.

Particulars	March 31, 2024	March 31, 2023
Financial Assets at amortised cost - Loans & Advances (Gross)	89,122.74	93,465.82
Less : Impairment loss allowances	1,914.21	1,749.60
Financial Assets at amortised cost - Loans & Advances (Net)	87,208.53	91,716.22
Financial Assets measured at FVTPL - Mutual funds	-	4,427.13
Trade and Other receivables	679.50	399.16
Total	87,888.03	96,542.51

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status.

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Company defines default when a loan obligation is overdue for more than 90 days.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD).

Calculation of expected credit losses

Expected credit losses (ECLs) are calculated using three main parameters i.e. probability of default (PD), loss given default (LGD) and an exposure at default (EAD). The default study published by one of the recognised rating agency is used for estimating PD and LGD. EAD represents the expected exposure in the event of a default.

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Stage 1	81,140.00	80,759.03
Less : Impairment loss allowance	821.55	410.61
Net Stage 1 Assets	80,318.45	80,348.42
ECL Prov. Coverage	1.01%	0.51%
Gross Stage 2	6,408.07	12,052.15
Less : Impairment loss allowance	233.93	998.12
Net Stage 2 Assets	6,174.14	11,054.03
ECL Prov. Coverage	3.65%	8.28%
Gross Stage 3	1,574.67	654.64
Less : Impairment loss allowance	858.73	340.87
Net Stage 3 Assets	715.94	313.77
ECL Prov. Coverage	54.53%	52.07%
Total Loans & Advances	89,122.74	93,465.82
Less : Impairment loss allowance	1,914.21	1,749.60
Net Loans & Advances	87,208.53	91,716.22
ECL Provision Coverage	2.15%	1.87%

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Credit impairment charge to the income statement

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
New and increased / (decreased) provisions (incl. write off)	164.60	(65.63)
Total charge / (credit) to the income statement	164.60	(65.63)

Policy for Write off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

c) Movement in gross exposures and credit impairment for loans and advances

The Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost. Company follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Refer to the accounting policy for details.

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at April 01, 2022	72,221.87	20,563.37	211.67	92,996.91	362.06	1,351.15	102.02	1,815.23
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	2,076.83	(2,076.83)	-	-	8.07	(8.07)	-	-
- Transferred to lifetime ECL -significant increase in credit risk	(4,899.21)	4,899.21	-	-	(201.67)	201.67	-	-
- Transferred to lifetime ECL credit impaired	(430.55)	(48.96)	479.51	-	(213.89)	(26.55)	240.44	-
Increase due to financial assets originated	38,434.36	783.52	29.58	39,247.46	591.23	271.64	24.11	886.98
Decrease due to loans derecognised on full payment	(26,644.27)	(12,068.16)	(66.12)	(38,778.55)	(135.19)	(791.72)	(25.70)	(952.61)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2023	80,759.03	12,052.15	654.64	93,465.82	410.61	998.12	340.87	1,749.60
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	2,274.14	(2,178.08)	(96.06)	-	216.26	(216.01)	(0.25)	-
- Transferred to lifetime ECL -significant increase in credit risk	(3,458.30)	3,464.61	(6.31)	-	(93.85)	93.97	(0.12)	-

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
- Transferred to lifetime ECL credit – impaired	(534.23)	(550.42)	1,084.65	-	(253.10)	(255.73)	508.83	-
Increase due to financial assets originated	36,660.66	1,167.35	43.61	37,871.62	693.75	267.94	109.79	1,071.48
Decrease due to loans derecognised on full payment	(34,561.30)	(7,547.54)	(105.86)	(42,214.70)	(152.12)	(654.36)	(100.39)	(906.87)
Net remeasurement (Due to recovery on regular basis changes in rating, changes in security value etc.)	-	-	-	-	-	-	-	-
Amounts written off during the year	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	81,140.00	6,408.07	1,574.67	89,122.74	821.55	233.93	858.73	1,914.21

d) Collateral and other credit enhancements

The Company would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered. The Company grants loans against collateral of immovable property (Land, Under construction projects, Ready property) including commercial and residential properties.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the company during the Financial Year 2023-2024

e) Credit Concentration

The Company has exposure on Advances, as detailed below.

Particulars	As at March 31, 2024	As at March 31, 2023
Total Advances to twenty largest borrowers	12,869.08	18,019.05
Percentage of Advances to twenty largest borrowers to Total Advances	14.67%	19.57%

ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has in place an Asset-Liability Management Committee (ALCO) which functions as the operational unit for managing the Balance Sheet within the performance and risk parameters laid down by the Board and Risk Committee of the Board. ALCO reviews Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. ALCO ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Key principles adopted in the Company's approach to managing liquidity risk include:

- Monitoring the Company's liquidity position on a regular basis, using a combination of contractual and behavioral modelling of balance sheet and cash flow information
- Maintaining a high quality liquid asset portfolio or maintaining undrawn bank lines
- Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations

The Company's principal sources of liquidity are cash and cash equivalents, undrawn cash credit & overdraft facilities from Banks, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at March 31, 2024	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	56,662.88	25,923.52	26,638.82	4,100.53	-
Trade and Other Payables	1,024.66	1,024.66	-	-	-
Lease Liability	1,023.76	352.76	538.59	132.42	-
Other Financial Liabilities	3,890.91	3,890.91	-	-	-
	62,602.21	31,191.85	27,177.41	4,232.95	-

As at March 31, 2023	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	55,810.95	20,549.71	28,807.35	6,453.89	-
Debt Securities (Includes Interest accrued but not due)	8,053.58	8,053.58	-	-	-
Trade and Other Payables	840.72	840.72	-	-	-
Lease Liability	1,327.15	530.62	601.45	195.08	-
Other Financial Liabilities	2,180.01	2,180.01	-	-	-
	68,212.41	32,154.64	29,408.80	6,648.97	-

iii) Market Risk :

Market risk is the risk that the fair value of the future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates risk and foreign currency risk.

The Company primarily deploys funds in bank deposits and liquid debt securities as a part of its liquidity management approach. The Company regularly reviews its average borrowing / lending cost including proportion of fixed and floating rate borrowings / loans so as to manage the impact of changes in interest rates.

iv) Interest rate risk

Company has exposure to interest rate risk, primarily from its lending business and related borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss.

Particulars	% Increase in rate		Increase/(decrease) in profit	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Borrowings that are re-priced	0.25%	0.25%	(143.29)	(141.78)
Loans that are re-priced	0.25%	0.25%	90.70	118.98
Borrowings that are re-priced	1.00%	1.00%	(573.17)	(567.11)
Loans that are re-priced	1.00%	1.00%	362.79	475.92

Interest rate risk is managed primarily by monitoring the sensivity of expected net interest income ('NII') under varying interest rate scenarios. This monitoring is undertaken by ALCO on regular basis. The NII sensitivities shown are indicative and based on simplified scenarios.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

v) Foreign Exchange Rate Risk:

The company entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, thereby ensuring that they are minimal open positions.

(a) Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	March 31, 2024				March 31, 2023			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Foreign currencies in hand	28.49	16.24	219.48	340.62	19.00	6.33	290.15	228.45
Net exposure	28.49	16.24	219.48	340.62	19.00	6.33	290.15	228.45

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	Impact on Profit after tax				Impact on Other components of Equity			
	March 31, 2024		March 31, 2023		March 31, 2024		March 31, 2023	
	Strength-ening	Weak-ening	Strength-ening	Weak-ening	Strength-ening	Weak-ening	Strength-ening	Weak-ening
Effect in INR								
0.75% movement*								
EUR	0.21	(0.21)	0.14	(0.14)	-	-	-	-
GBP	0.12	(0.12)	0.05	(0.05)	-	-	-	-
USD	1.65	(1.65)	2.18	(2.18)	-	-	-	-
Others	2.55	(2.55)	1.71	(1.71)	-	-	-	-

*Holding all other variables constant

vi) Operational Risk:

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

43 Financial Instruments

i) Accounting classification and fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using a valuation technique (excluding investment in subsidiaries).

As at March 31, 2024	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Cash and cash equivalents	-	8,311.68	8,311.68
Bank balances other than Cash & cash equivalents	-	6,446.25	6,446.25

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

As at March 31, 2024	Carrying Amount		
	FVTPL	Amortised Cost	Total
Trade and Other receivables	-	679.50	679.50
Loans & advances	-	85,705.69	85,705.69
Others financial assets	-	1,367.59	1,367.59
Total	-	1,02,510.71	1,02,510.71
Financial liabilities			
Trade and other payables	-	1,095.43	1,095.43
Borrowings	-	56,662.88	56,662.88
Lease Liability		1,023.76	1,023.76
Other financial liabilities	-	3,890.91	3,890.91
Total	-	62,672.98	62,672.98

As at March 31, 2023	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Investment in Mutual fund Units	4,427.13	-	4,427.13
Cash and cash equivalents	-	7,600.47	7,600.47
Bank balances other than Cash & cash equivalents	-	3,925.47	3,925.47
Trade and Other receivables	-	399.16	399.16
Loans & advances	-	89,242.31	89,242.31
Others financial assets	-	725.32	725.32
Total	4,427.13	1,01,892.73	1,06,319.86
Financial liabilities			
Trade and other payables	-	840.72	840.72
Debt Securities		8,053.58	8,053.58
Borrowings	-	55,810.95	55,810.95
Lease Liability		1,327.15	1,327.15
Other financial liabilities	-	2,180.01	2,180.01
Total	-	68,212.41	68,212.41

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet using a three-level fair value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fairvalue- hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Fair value hierarchy of financial instruments classified in FVTPL category:-

Particulars	Fair Value as on March 31, 2024			Carrying Value as on March 31, 2024	Fair Value as on March 31, 2023			Carrying Value as on March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Financial Assets								
Investment in Mutual fund Units	-	-	-	-	-	4,427.13	-	4,427.13
Total	-	-	-	-	-	4,427.13	-	4,427.13

44 Provision under prudential norms of income recognition, asset classification (IRAC)-

As at March 31, 2024

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	81,140.00	723.44	80,416.56	324.56	398.88
	Stage 2	6,408.07	233.93	6,174.14	25.64	208.29
Subtotal		87,548.07	957.37	86,590.70	350.20	607.17
Non-Performing Assets (NPA)						
Substandard	Stage 3	1,344.24	629.75	714.49	134.42	495.33
Doubtful - up to 1 year	Stage 3	201.53	200.08	1.45	200.08	-
1 to 3 years	Stage 3	28.90	28.90	-	28.90	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		230.43	228.98	1.45	228.98	-
Loss				-		-
Subtotal for NPA		1,574.67	858.73	715.94	363.40	495.33
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	29,190.53	98.11	29,092.42	-	98.11
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		29,190.53	98.11	29,092.42	-	98.11
Total	Stage 1	1,10,330.53	821.55	1,09,508.98	324.56	496.99
	Stage 2	6,408.07	233.93	6,174.14	25.64	208.29
	Stage 3	1,574.67	858.73	715.94	363.40	495.33
	Total	1,18,313.27	1,914.21	1,16,399.06	713.60	1,200.61

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

As at March 31, 2023

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
1	2	3	4	(5=3-4)	6	(7=4-6)
Performing assets						
Standard	Stage 1	80,759.03	315.22	80,443.81	323.04	(7.82)
	Stage 2	12,052.15	998.12	11,054.03	48.21	949.91
Subtotal		92,811.18	1,313.34	91,497.84	371.25	942.09
Non-Performing Assets (NPA)						
Substandard	Stage 3	625.74	311.97	313.77	62.57	249.40
Doubtful - up to 1 year	Stage 3	28.90	28.90	-	28.90	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
Subtotal for doubtful		28.90	28.90	-	28.90	-
Loss				-		-
Subtotal for NPA		654.64	340.87	313.77	91.47	249.40
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	23,415.10	95.40	23,319.70	-	95.40
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal		23,415.10	95.40	23,319.70	-	95.40
Total	Stage 1	1,04,174.13	410.61	1,03,763.52	323.04	87.57
	Stage 2	12,052.15	998.12	11,054.03	48.21	949.91
	Stage 3	654.64	340.87	313.77	91.47	249.40
	Total	1,16,880.92	1,749.60	1,15,131.32	462.72	1,286.88

45 Additional Disclosures as per the guidelines issued by the Reserve Bank of India in respect of Non Banking Financial (Non deposit accepting or holding) Systemically Important (NBFC-ND-SI) is as under:

a. Capital funds, risk assets/ exposure and risk asset ratio (CRAR)

S.No	Item	March 31, 2024	March 31, 2023
1	CRAR (%)	36.58%	35.92%
2	CRAR - Tier I capital (%)	35.94%	34.89%
3	CRAR - Tier II Capital (%)	0.64%	1.03%
4	Amount of subordinated debt raised as Tier -II Capital	-	-
5	Amount raised by issue of Perpetual Debt Instruments	-	-

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

b. Investments

S.No	Item	March 31, 2024	March 31, 2023
1	Value of investments		
	(i) Gross value of investments		
	(a) in India	17,643.51	21,070.64
	(b) outside India	-	-
	(ii) Provision for depreciation		
	(a) in India	-	-
	(b) outside India	-	-
	(iii) Net value of investments		
	(a) in India	17,643.51	21,070.64
	(b) outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add : Provisions made during the year	-	-
	(iii) Less : Write-off/ write-back of excess provision during the year	-	-
	(iv) Closing balance	-	-

c. Derivatives

The Company has no transactions / exposure in derivatives as on 31st Mar, 2024 (31st Mar, 23 Nil)

d. Disclosures relating to Securitisation

The Company has entered in securitisation transaction during the year and had no outstanding securitisation transactions for earlier years.

e. Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

The Company has not sold any financial asset to securitisation / reconstruction company for asset reconstruction in the current year and previous year.

f. Details of Loans transferred through Assignment

S.No	Particulars	March 31, 2024	March 31, 2023
1	No. of Accounts	159	-
2	Aggregate value (net of provisions) of accounts assigned*	4,499.29	-
3	Aggregate consideration*	4,156.33	-
4	Additional consideration realised in respect of accounts transferred in earlier years	-	-
5	Aggregate gain / loss over net book value	-	-

* Details pertaining to direct assignment transactions entered during the year.

g. Details of non-performing financial assets purchase / sold

The Company has not purchased / sold any non-performing financial assets in the current year and previous year.

h. Exposure

i. Exposure to Real Estate Sector

S.No	Item	March 31, 2024	March 31, 2023
a)	Direct exposure		
(i)	Residential Mortgages -		
	Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented. Exposure would also include non-fund bases (NFB) limits.	-	87.15

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

S.No	Item	March 31, 2024	March 31, 2023
(ii)	Commercial Real Estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development & construction etc.). Exposure would also include non-fund based (NFB) limits.	1,309.54	5,192.19
(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
1	Residential,	-	-
2	Commercial Real Estate.	-	-
b)	Indirect exposure		
(i)	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).	-	-
(ii)	Investment in Housing Finance Companies	15,500.00	14,500.00
(iii)	Others	-	330.51
	Total Exposure to Real Estate Sector	16,809.54	20,109.85

ii. Exposure to Capital Market

S.No	Item	March 31, 2024	March 31, 2023
(i)	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;*	-	-
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii)	Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv)	Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii)	Bridge loans to companies against expected equity flows / issues;	-	-
(viii)	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
(ix)	Financing to stockbrokers for margin trading	-	-
(x)	All exposures to Alternative Investment Funds:	-	-
	(i) Category I	-	-
	(ii) Category II	-	-
	(iii) Category III	-	-
	Total Exposure to Capital Market	-	-

*Excludes investments in subsidiaries.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

i. Details of financing of parent company products

Not Applicable

j. Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL) exceeded by the NBFC

The Company has not lent/ invested/ lent and invested in Single Borrower / Single Group of Borrowers in excess of limits prescribed by the RBI.

k. Unsecured Advances

Refer Note 6 for unsecured advances. There are no advances/projects financed by the Company wherein intangible security such as rights, licenses, authorizations etc. are charged as collateral as at March 31, 2024 and March 31, 2023.

l. Registration obtained from other financial sector regulators

The Company is not registered with any financial sector regulators except with the RBI.

m. Disclosure of Penalties imposed by RBI and other regulators

No penalties were imposed by the RBI and other regulators during current year and previous year.

n. Provisions and contingencies (shown under the head expenditure in Statement of Profit and Loss):

S.No	Item	March 31, 2024	March 31, 2023
(i)	Provision made towards income tax	737.00	539.61
(ii)	Provision for impairment of financial assets	164.60	(65.63)

o. Draw Down from Reserves

There has been no draw down from reserves during the current year and previous year.

p. Concentration of Advances, Exposures and NPAs

i) Concentration of Advances

Particulars	March 31, 2024	March 31, 2023
Total Advances to twenty largest borrowers	12,869.08	18,019.05
Percentage of Advances to twenty largest borrowers to Total Advances	14.67%	19.57%

ii) Concentration of Exposures

Particulars	March 31, 2024	March 31, 2023
Total Exposures to twenty largest borrowers / customers	13,236.12	18,683.23
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure on borrowers / customers	14.85%	19.99%

iii) Concentration of NPAs

Particulars	March 31, 2024	March 31, 2023
Total of Exposures to top four NPA accounts	420.21	282.40

iv) Movement of NPAs

S.No	Particulars	March 31, 2024	March 31, 2023
(i)	Net NPAs to Net Advances (%)	0.82%	0.34%
(ii)	Movement of NPAs (Gross):		
(a)	Opening balance	654.64	211.67
(b)	Additions during the year	1,128.26	509.09
(c)	Reductions during the year	208.23	66.12
(d)	Closing balance	1,574.67	654.64

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

S.No	Particulars	March 31, 2024	March 31, 2023
(iii)	Movement of Net NPAs		
(a)	Opening balance	313.77	109.65
(b)	Additions during the year	509.64	244.54
(c)	Reductions during the year	107.47	40.42
(d)	Closing balance	715.94	313.77
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
(a)	Opening balance	340.87	102.02
(b)	Provisions made during the year	618.62	264.55
(c)	Write-off / write-back of excess provisions	100.76	25.70
(d)	Closing balance	858.73	340.87

v) Intra- group exposures

S.No	Particulars	March 31, 2024	March 31, 2023
(i)	Total amount of intra- group exposures	-	793.30
(ii)	Total amount of top 20 intra- group exposures	-	793.30
(iii)	Percentage of intra- group exposures to total exposure of the NBFC on borrowers/ Customers	0.00%	0.85%

vi) Sector-wise NPAs (% of NPA to Total Advances in that sector)

Particulars	March 31, 2024			March 31, 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
Agriculture & allied activities	2,033.13	17.13	0.84%	1,261.00	-	0.00%
MSME	-	-	-	-	-	-
Corporate borrowers	-	-	-	-	-	-
Services	58,710.72	845.37	1.44%	60,665.86	171.35	0.28%
Unsecured personal loans	-	-	-	-	-	-
Auto loans	-	-	-	-	-	-
Other Personal loans	28,378.89	712.17	2.51%	31,538.96	483.29	1.53%

q. Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)

The Company has not invested in overseas assets in the current and previous year. There are no outstanding investments from earlier years.

r. Off-balance Sheet SPVs sponsored by the Company

The Company has no off-balance sheet SPV in the current year.

s. Disclosure of Scheme for Sustainable Structuring of Stressed Assets (S4A)

The Company has not done any Sustainable Structuring of Stressed Assets

The Company has not restructured any non-performing financial assets during the financial year ended March 31, 2024 and March 31, 2023.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

t. Fraud Reporting

As required by the Chapter II paragraph 5 for Monitoring of frauds in NBFCs (RBI guidelines), there are no frauds reported during the financial year 23-24 and financial year 22-23.

u. Remuneration of Directors

Details of all transactions with directors has been given in Note 35 of Financials Statements.

v. Revenue Recognition

There have been no instances in which revenue recognition has been postponed pending the resolution of significant uncertainties.

w. Consolidated Financial Statement (CFS)

The Company has prepared consolidated financial statement of all its underlying subsidiaries.

x. Net Profit or Loss for the period, prior period items and changes in accounting policies

No prior period items and changes in accounting policies.

y. Disclosure of Customer complaints

1) Summary information on complaints received by the NBFCs from customers and from the Offices of Ombudsman

Sr. No.	Particulars	March 31, 2024	March 31, 2023
	Complaints received by the NBFC from its customers		
1	Number of complaints pending at beginning of the year	0	3
2	Number of complaints received during the year	157	86
3	Number of complaints disposed during the year	157	89
3.1	Of which, number of complaints rejected by the NBFC		
4	Number of complaints pending at the end of the year	0	0
	Maintainable complaints received by the NBFC from Office of Ombudsman		
5	Number of maintainable complaints received by the NBFC from Office of Ombudsman	62	16
5.1	Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	61	15
5.2	Of 5, number of complaints resolved through conciliation/ mediation/ advisories issued by Office of Ombudsman	1	1
5.3	Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	1	1
6	Number of Awards unimplemented within the stipulated time (other than those appealed)	0	0

Note: Maintainable complaints refer to complaints on the grounds specifically mentioned in Integrated Ombudsman Scheme, 2021 (Previously The Ombudsman Scheme for Non-Banking Financial Companies, 2018) and covered within the ambit of the Scheme.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

2) Top five grounds of complaints received by the NBFCs from customers

Number of complaints received during the year	Number of complaints pending at the beginning of the year	Grounds of complaints, (i.e. complaints relating to)	% increase/decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
1	2	3	4	5	6
As at March 31, 2024					
157	0	Loan & Advances	83%	0	0
As at March 31, 2023					
86	3	Loans and Advances	1620%	0	0
0	0	Non-observance of fair practices code	N/A	0	0

z. Ratings assigned by credit rating agencies and migration of ratings during the year

S.No.	Instruments	Credit Rating Agency	As on March 31, 2024	As on March 31, 2023
1	Long Term Instruments	Acuite Ratings & Research Limited	ACUITE A- (Stable)	ACUITE A- (Stable)

Migration :- There have been no migration in ratings during financial year 23-24.

aa. Statement on Asset Liability Management

Maturity pattern of certain items of assets and liabilities as at March 31, 2024

S. No	Item	Up to 30 / 31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-
2	Advances	3,308.74	1,964.70	2,241.57	8,088.41	8,933.40	18,846.79	13,234.14	32,504.99	89,122.74
3	Investments	-	-	-	-	-	-	-	17,643.51	17,643.51
4	Debt securities	-	-	-	-	-	-	-	-	-
5	Borrowings	1,098.15	2,127.48	3,005.11	5,974.00	14,112.84	27,150.66	4,100.54	-	57,568.78
6	Foreign Currency assets	-	-	-	-	-	-	-	-	-
7	Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Maturity pattern of certain items of assets and liabilities as at March 31, 2023

S. No	Item	Up to 30 / 31 days	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
1	Deposits	-	-	-	-	-	-	-	-	-
2	Advances	5,226.59	1,793.05	2,266.46	8,108.90	9,265.03	21,464.62	11,993.93	33,347.24	93,465.82
3	Investments	4,427.13	-	-	-	-	-	-	16,643.51	21,070.64
4	Debt securities	-	-	5,384.93	2,668.65	-	-	-	-	8,053.58
5	Borrowings	717.10	651.39	1,373.44	5,126.23	11,677.38	29,621.73	7,697.96	-	56,865.23
6	Foreign Currency assets	-	-	-	-	-	-	-	-	-
7	Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

ab. Restructured advances

Disclosure of information as required in terms of Para 24 of Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI guidelines).

There were no accounts which were restructured during the Financial Year 2023-24 and Financial Year 2022-23.

ac. Related Party Transactions

Details of all material transactions with related parties has been given below-

Related party transactions during the year

Related Party	Year	Holding/ultimate holding company	Fellow Subsidiaries	Associates of holding company	Other Key Management Personnel	Relatives of Director	Directors	Others	Total
Borrowings	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-
Deposits	2024	-	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-	-
Loans and advances given	2024	-	-	-	-	-	-	-	-
	2023	-	-	700.00	-	-	-	-	700.00
Loans and advances repayment	2024	-	-	700.00	-	-	-	-	700.00
	2023	-	-	-	-	-	-	-	-
Investments	2024	-	1,000.00	-	-	-	-	-	1,000.00
	2023	-	2.00	-	-	-	-	-	2.00
Purchase of fixed/other assets	2024	-	0.41	-	-	-	-	-	0.41
	2023	-	0.46	-	-	-	-	-	0.46
Sale of fixed/other assets	2024	-	-	-	-	-	-	-	-
	2023	-	0.01	-	-	-	-	-	0.01
Sale of foreign currency	2024	-	4.11	-	1.10	-	5.89	0.29	11.39
	2023	-	18.83	-	2.05	7.39	6.94	0.88	36.10
Interest Income	2024	-	0.38	48.33	-	-	-	-	48.70
	2023	-	65.53	35.53	-	-	-	60.45	161.51
Reimbursement received	2024	-	91.24	58.73	-	-	-	-	149.97
	2023	-	29.66	13.64	-	-	-	-	43.30
Reimbursement expense	2024	-	5.00	-	-	-	-	-	5.00
	2023	-	4.91	-	-	-	-	-	4.91

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Related Party	Year	Holding/ ultimate holding company	Fellow Subsidiaries	Associates of holding company	Other Key Management Personnel	Relatives of Director	Directors	Others	Total
Remuneration and sitting fees	2024	-	-	-	699.27	-	482.54	46.67	1,228.48
	2023	-	-	-	540.96	-	457.01	-	997.97
Commission expenses	2024	-	1,423.30	60.78	-	-	-	-	1,484.08
	2023	-	499.77	271.39	-	-	-	-	771.16
Loan portfolio assigned in	2024	-	936.18						936.18
	2023	-	2,616.06	-	-	-	-	-	2,616.06
Others	2024	126.78	570.38	-	-	-	-	64.83	761.99
	2023	126.78	-	13.84	-	-	-	207.00	347.62

Balance outstanding at the end of year

Related Party	Year	Holding/ ultimate holding company	Fellow Subsidiaries	Associates of holding company	Other Key Management Personnel	Relatives of Director	Directors	Others	Total
Loans and advances	2024	-	-	-	-	-	-	-	-
	2023	-	87.78	700.00	-	-	-	2.00	789.78
Accrued interest	2024	-	-	-	-	-	-	-	-
	2023	-	5.52	-	-	-	-	-	5.52
Advances against FLDG	2024	-	42.56	-	-	-	-		42.56
	2023	-	-	-	-	-	-	-	-
Payables	2024	-	219.32	-					219.32
	2023	-	111.07	8.36	-	-	-	-	119.43
Receivables	2024	-	4.18	0.98					5.16
	2023	-	4.18	-	-	-	-	-	4.18

46 Public disclosure on liquidity risk of Capital India Finance Limited ('CIFL') as on March 31, 2024 in accordance with RBI circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated November 4, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies (NBFCs) including Core Investment Companies.

i. Funding Concentration based on significant counterparty (both deposits and borrowings)

Number of Significant Counterparties	Amount in lakhs	% of Total Deposits	% of Total Liabilities
14	56,817.68	Not Applicable	89.21%

ii. Top 20 Large Deposits

Not applicable. The Company is registered with Reserve Bank of India and has been classified as a Systemically Important Non-Deposit Accepting or Holding Non-Banking Financial Company.

iii. Top 10 Borrowings

Amount	% of Total Borrowings
52,249.71	90.93%

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

iv. Funding Concentration based on significant Instrument/ Product

Name of instrument/ product	Amount in lakhs	% of Total Liabilities
Term loans from banks	45,572.07	71.55%
Term loans from others	5,733.72	9.00%
Term loans from financial institutions	3,600.00	5.65%
Vehicle Loans from banks	143.48	0.23%
Working capital loan	2,411.60	3.79%
Total Borrowings	57,460.87	90.22%
Total Liabilities	63,691.58	

v. Stock Ratios

Particulars	As a % of total public funds	As a % of total liabilities	As a % of total assets
Commercial papers	-	-	-
Non-convertible debentures (original maturity of less than one year)	-	-	-
Other short-term liabilities	15.34%	13.84%	7.09%

1 Other Short Term Liabilities represents all liabilities Maturing within a year excluding total equity, Debt Securities, Borrowings.

2 Public funds Include Debt Securities, Borrowings

3 Total Liability Includes Total Liability and Equity as per Balance Sheet less equity

vi. Institutional set-up for liquidity risk management

The Board of Directors of the Company has instituted the Asset Liability Management Committee to monitor and manage liquidity risk inter-alia by way of monitoring the asset liability composition, reviewing the liquidity and borrowing program of the Company, setting-up and monitoring prudential limits on negative mismatches w.r.t. liquidity and interest rate.

The Company's liquidity and funding approach documented through its various plans and policies including the Asset Liability Management Policy, Resources Planning Policy, Investment and Deployment Policy, is to ensure that funding is available to meet all market related stress situations. The Company endeavour to maintain a conservative Asset Liability Management approach which is focused on maintaining long term funding stability.

The Company also has a Risk Management Committee which reports to the Board and is responsible for evaluating the overall risks faced by the Company including liquidity risks.

The Company's liquidity management set-up is assessed periodically to align the same with any regulatory changes in the economic landscape or business needs. The ALCO meetings are held once in a quarter and committee submit its report to board on quarterly basis.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

47 Schedule to the Balance Sheet of a Non Banking Financial Company as required in terms of NBFC - Scale Based Regulations, Directions 2023

LIABILITIES SIDE

1	Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:	As at March 31, 2024		As at March 31, 2023	
		Amount Outstanding	Amount Overdue	Amount Outstanding	Amount Overdue
a.	Debentures (other than falling within the meaning of public deposits)				
	- Secured	-	-	8,053.58	-
	- Unsecured			-	-
b.	Deferred Credits	-	-	-	-
c.	Term Loans	55,013.70	-	56,815.33	-
d.	Inter-corporate loans and borrowings	-	-	-	-
e.	Commercial Paper	-	-	-	-
f.	Public Deposits (Refer note 1 below)	-	-	-	-
g.	Other Loans	2,555.08	-	49.90	-

ASSET SIDE

2	Break up of Loans and Advances including bills receivables [other than those included in(4) below]:	Amount Outstanding	
		As at March 31, 2024	As at March 31, 2023
a.	Secured	69,483.87	75,066.34
b.	Unsecured	19,638.87	18,399.48

3	Break up of Leased Assets and stocks on hire and other assets counting towards AFC activities	Amount Outstanding	
		As at March 31, 2024	As at March 31, 2023
i.	Lease Assets including lease rentals under sundry debtors:		
a.	Finance Lease	-	-
b.	Operating Lease	-	-
ii.	Stocks on hire including hire charges under sundry debtors:		
a.	Assets on hire	-	-
b.	Repossessed Assets	-	-
iii.	Other Loans counting towards AFC activities:		
a.	Loans where assets have been repossessed	-	-
b.	Loans other than (a) above	-	-

4 Break up of Investments:	Amount Outstanding	
	As at March 31, 2024	As at March 31, 2023
Current Investments		
1. Quoted		
i. Shares - Equity	-	-
- Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of mutual funds	-	-
iv. Government Securities	-	-
v. Others	-	-

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

4 Break up of Investments:		Amount Outstanding	
		As at March 31, 2024	As at March 31, 2023
2. Unquoted			-
i.	Shares - Equity	-	-
	- Preference	-	-
ii.	Debentures and Bonds	-	-
iii.	Units of mutual funds	-	4,427.13
iv.	Government Securities	-	-
v.	Others	-	-
Long Term Investments			
1. Quoted			
i.	Shares - Equity	-	-
	- Preference	-	-
ii.	Debentures and Bonds	-	-
iii.	Units of mutual funds	-	-
iv.	Government Securities	-	-
v.	Others	-	-
2. Unquoted			
i.	Shares - Equity	17,643.51	16,643.51
	- Preference	-	-
ii.	Debentures and Bonds	-	-
iii.	Units of mutual funds	-	-
iv.	Government Securities	-	-
v.	Others	-	-

5 Borrower group-wise classification of all leased assets, stock on hire and loans and advances (Refer note 2 below):

Category	As at March 31, 2024			As at March 31, 2023		
	Amount net of provision			Amount net of provision		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1 Related Parties**						
a. Subsidiaries	-	-	-	87.78	-	87.78
b. Companies in the same group	-	-	-	-	700.00	700.00
c. Other related parties	-	-	-	-	-	-
2 Other than related parties	69,483.87	19,638.87	89,122.74	74,978.56	17,699.48	92,678.04
Total	69,483.87	19,638.87	89,122.74	75,066.34	18,399.48	93,465.82

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): (Refer note 3 below)

Category	As at March 31, 2024		As at March 31, 2023	
	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break up of fair value or NAV	Book Value (Net of Provisions)
1 Related Parties**				
a. Subsidiaries	18,714.01	17,643.51	19,191.26	16,643.51
b. Companies in the same group	-	-	-	-
c. Other related parties	-	-	-	-
2 Other than related parties	-	-	4,427.13	4,427.13
Total	18,714.01	17,643.51	23,618.39	21,070.64

** As per Accounting Standard issued by the Institute of Chartered Accountants of India ('ICAI').

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

7 Other information	Amount	
	As at March 31, 2024	As at March 31, 2023
i. Gross Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	1,574.67	654.64
ii. Net Non-Performing Assets		
a. Related Parties	-	-
b. Other than related parties	715.94	313.77
iii. Assets acquired in satisfaction of debt	-	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the NBFC - Scale Based Regulations, Directions 2023.
- All Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India ('ICAI') are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debts. However, market value in respect of quoted investments and break up/ fair value/ NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in category 4 above.

48 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR. REC.51/21.04.048/2021-22 dated September 24, 2021

Details of transfer through assignment in respect of loans not in default.

Particulars	Securitisation	Co-Lending
Aggregate amount of loans acquired (in lakhs) during the year ended March 31, 2024	936.18	9,069.43
Aggregate amount of loans acquired (in lakhs) as at March 31, 2024	9,934.50	13,437.24
Weighted average residual maturity (in months)	64	69
Weighted average holding period (in months)*	23	9
Retention of beneficial economic interest by the originator	10%	10%
Tangible security coverage**(Times)	1	1

*Holding period is computed as holding period in the books of the Company

**For computation of coverage tangible security coverage ratio, Company has considered only secured loans

49 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR. REC.51/21.04.048/2021-22 dated September 24, 2021

Details of transfer through Assignment in respect of loans not in default.

a)	Aggregate principal outstanding of loans transferred through assignment (INR in Lakh) during the year ended March 31, 2024	4,499.29
	Aggregate principal outstanding of loans transferred through assignment (INR in Lakh) as at March 31, 2024	3,608.56
	Retention of Beneficial economic interest (in %) (MRR)	9%
	Weighted average residual maturity (in months)	186
	Weighted average holding period (in months)	18
	Coverage of Tangible security Coverage (Times) *	2
	Rating- wise distribution of rated loans	Unrated

Note:-

* For computation of coverage of Tangible Security coverage ratio, the Company has considered only the secured loans.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

- b) The Company has not transferred any stressed loan during the year ended March 31, 2024.
- c) The Company has not acquired any stressed loan during the year ended March 31, 2024.

50 Additional disclosures for the year ended March 31, 2024 and March 31, 2023

- a.** There have been no events after the reporting date that require disclosure in these financial statements.
- b.** The Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- c.** The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.
- d. Crypto or virtual currency**
- The Company has not invested in crypto currency or virtual currency during the year.
- e. Wilful defaulter**
- The Company has not been declared as wilful defaulter by the bank & financial institution or any other lender. In accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended March 31, 2024 and March 31, 2023.
- f.** No Scheme of arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- g.** The Company, being a Non-Banking Financial Company ("NBFC") registered with the Reserve Bank of India as a systematically important NBFC, the provisions of section 2(87) read with Companies (restriction on number of layers) Rules 2017 are not applicable.
- h.** The company has not purchased any credit impaired financial assets during the financial year 2023-24.
- i.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- j.** No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Notes to Standalone Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

51 The Financial Statements have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 22, 2024.

52 Previous year’s figures

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items. Previous year figures have been re-grouped or reclassified, to confirm to such current year’s grouping / classifications. There is no impact on Equity or Net Profit due to these regrouping / reclassifications.

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

For and on behalf of the board
Capital India Finance Limited

Milind Agal
Partner
Membership No. : 123314
Place: Mumbai

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Haridwar

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Delhi

Rachit Malhotra
Chief Compliance Officer & Company Secretary
Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

INDEPENDENT AUDITOR’S REPORT

To
The Members of **Capital India Finance Limited**

Report on the Audit of Consolidated Financial Statements

1. Opinion

We have audited the accompanying Consolidated Financial Statements of Capital India Finance Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associate (upto May 16, 2023), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, referred to in the Other Matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate (upto May 16, 2023) as at March 31, 2024, the consolidated loss (including other

comprehensive income), its consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

2. Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (“SAs”) specified under Section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our Report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and by other auditors in terms of their reports referred to in the sub paragraph (i) and (ii) of ‘Other Matters’ paragraph below is sufficient and appropriate to provide a basis for our opinion on Consolidated Financial Statements.

3. Key Audit Matter

Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, were of most significance in our audit of the Consolidated Financial Statements of the current year. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
1.	Expected Credit Loss (ECL) on Loans and Advances As at March 31, 2024, the carrying value of loan assets measured at amortized cost, aggregated INR 1,25,830.39 lakhs (net of allowance of ECL of INR 2,543.71) constituting approximately 70% of the Company’s total assets. The estimation of ECL on financial instruments involves significant judgement and estimates. As part of our risk assessment, we determined that the allowance for ECL on loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the financial statements.	Our Audit Approach: Our audit approach was a combination of test of internal controls and substantive procedures which included the following: a) testing the design and effectiveness of internal controls over the following: <ul style="list-style-type: none">key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
	<p>The elements of estimating ECL which involved increased level of audit focus are the following:</p> <p>a) Data inputs – The application of ECL model requires several data inputs.</p> <p>b) Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default (“PD”), Loss Given Default (“LGD”), and Exposures at Default (“EAD”). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Group’s modelling approach.</p> <p>c) Qualitative and quantitative factors used in staging the loan assets measured at amortized cost.</p> <p>d) Economic scenarios – Ind AS 109 requires the Group to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them.</p> <p>e) Adjustments to model driven ECL results to address emerging trends.</p> <p>Refer Note 6 of the Consolidated Financial Statements.</p>	<ul style="list-style-type: none">key controls over the application of the staging criteria consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors.management’s controls over authorisation and calculation of post model adjustments and management overlays to the output of the ECL model. <p>b) Also, for a sample of ECL allowance on loan assets tested:</p> <ul style="list-style-type: none">we test checked over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data; andwe tested the mathematical accuracy and computation of the allowances by using the same input data used by the Group. <p>c) evaluated the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL Model, including management overlays.</p> <p>d) evaluated the management judgement, governance process and review controls and discussed the process and assumptions for identification of provisioning for ECL on loans with senior management including Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk</p> <p>e) assessed the updated model methodology by evaluating the changes for models which were changed or updated during the year.</p> <p>f) assessed the disclosures included in the Financial Statements in respect of expected credit losses</p>
2.	Information Technology (IT) Systems and Controls <p>The Group’s key financial information are highly dependent on the automated controls over the Group’s information systems, such that there exists a risk that gaps in the IT general control environment could result in a misstatement of the financial accounting and reporting records. Accordingly, we have considered user access management, segregation of duties and controls over system change over key financial accounting and reporting systems, as a key audit matter.</p>	<p>Our Audit Approach:</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <p>General IT controls design, observation and operation:</p> <ul style="list-style-type: none">tested key controls operating over the information technology in relation to financial information, including system access and system change management, program development and computer operations. <p>User access controls operation:</p> <ul style="list-style-type: none">obtained management’s evaluation of the access rights granted to applications relevant to financial accounting and reporting systems and tested resolution of a sample of expectations.assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
		<p>Application controls:</p> <ul style="list-style-type: none">tested the design and operating effectiveness of automated controls critical to financial accounting and reporting.tested the design and operating effectiveness of compensating controls for any identified deficiencies and where necessary, extended the scope of our substantive audit procedure.considered the reports issued by the professional consultants with respect to Information Systems (IS) Audit and IT Infrastructure of the Group.
3.	Revenue Recognition under Ind AS 115, Revenue from Contracts with Customers <p>Refer Note 2.15 to the Consolidated Financial Statements for the accounting policy on revenue recognition and details of revenue recognised from different revenue streams during the year ended March 31, 2024.</p> <p>The Subsidiary Company, Rapipay Fintech Private Limited derives its revenue primarily from rendering of financial services using a network of Direct Business Outlets (DBOs) upon satisfaction of its performance obligation, i.e., transfer of control to the customer in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers (‘Ind AS 115’).</p> <p>Owing to the multiplicity of the services offered by the Subsidiary Company and diverse terms of contracts with DBOs and service providers which also involves use of multiple technology solutions and manual reconciliations, revenue is determined to be an area involving significant risk and hence, requiring significant auditor attention.</p> <p>Further, the application of Ind AS 115 involves significant judgements/material estimates relating to principal versus agent considerations, identification of distinct performance obligations, determination of transaction price, and the appropriateness of the basis used to measure revenue recognised at a point in time and over a period of time, depending upon nature of revenue stream.</p> <p>Considering the materiality of amounts involved, significance of the area to the financial statements, combined with significant judgements and estimates involved, revenue recognition is considered to be a key audit matter for the current year audit.</p>	<p>Audit Approach:</p> <p>Audit included, but were not limited to, the following procedures:</p> <ul style="list-style-type: none">Obtained an understanding from the management of the nature of revenue transactions, revenue recognition process and evaluated the appropriateness of the accounting policy adopted by the management in accordance with Ind AS 115;Evaluated the design and tested the operating effectiveness of internal financial controls relating to the application of revenue accounting standard specifically those relating to principal versus agent considerations, identification of the distinct performance obligations and determination of transaction price.Tested the relevant information technology systems’ access and change management controls and related information/reports used in recording and presenting revenue in accordance with the revenue accounting standard.Selected a sample of revenue transactions recorded during the year and performed the following procedures:<ul style="list-style-type: none">(i) Read, analysed and identified the distinct performance obligations as per the contract.(ii) Compared such performance obligations with those identified and recorded by the management;(iii) Evaluated contract terms to determine the transaction price and satisfaction of performance obligations under the contracts for appropriate revenue recognition.Performed substantive analytical procedures on revenue recognised during the year such customer wise variance analysis, product wise analysis, for reasonableness of revenue recognised.Tested unusual non-standard journal entries impacting revenue based on risk-based criteria.Assessed the appropriateness and adequacy of disclosures included in the financial statements, in accordance with the requirements of Ind AS 115.

Sr. No.	Key audit matters	How our audit addressed the key audit matter
4.	<p>Impairment assessment of carrying value of investment in subsidiary:</p> <p>The Subsidiary, Rapipay Fintech Private Limited had investments in its subsidiary, NYE Investec Private Limited (formally known as Kuants Wealth Private Limited), amounting INR 2,256 Lakhs. The Subsidiary Company accounts for equity investments in subsidiary at cost (subject to impairment assessment).</p> <p>The step down subsidiary has incurred losses in the current year and the carrying value of such investments exceed the net worth of the subsidiary. Considering the existence of aforesaid impairment indicators in the current year, the Subsidiary Company has assessed the recoverable value of investment by comparing the fair value (less costs of disposal) and carrying amount of the investment as on the reporting date in accordance with Ind AS 36, Impairment of assets.</p> <p>The management estimate of the recoverable amounts of the investment has been determined through discounted cash flow model with the help of a management expert. Such valuation method involves significant judgment in carrying out the impairment assessment and the key assumptions included estimates around inputs that are not directly observable from market information and certain other unobservable inputs. The key inputs and judgements involved in the impairment of investments include:</p> <p>i) Forecast cash flows including assumptions on growth rates.</p> <p>ii) Discount rates.</p> <p>iii) Terminal growth rate.</p> <p>Changes to these assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment.</p> <p>Based on the aforesaid assessment, the management has concluded that no provision for impairment was necessary as at March 31, 2024.</p> <p>Considering the materiality of the carrying amounts of investment in the step down subsidiary, the inherent subjectivity, complexity, and significance of the judgments involved, we have considered impairment assessment of aforesaid investment in subsidiary to be a key audit matter for the current year's audit.</p>	<p>Audit Approach:</p> <p>Audit procedures in relation to the impairment assessment of investment in step down subsidiary included, but were not limited to the following:</p> <ul style="list-style-type: none">• Obtained an understanding of the management's process for identification of possible impairment indicators.• Evaluated the design and tested operating effectiveness of the controls over the Subsidiary Company's process of impairment assessment.• Obtained the management's external valuation specialist's report on determination of recoverable value. We assessed the professional competency and objectivity of management's expert for performing the required valuation of investment in subsidiary.• Involved auditor's valuation experts to assess the appropriateness of the valuation methodologies used by the management expert and reviewed the appropriateness of key valuation assumptions including the estimates relating to cash flow projections, growth rates, discount rate, terminal value, amongst others used within the discounted cash flow model.• Evaluated and challenged management's assumptions such as implied growth rates during explicit period and discount rate for their reasonableness based on our understanding of the business of the subsidiary, past results and external factors such as industry trends and forecasts.• Reconciled the cash flow projections used in aforesaid valuations to approve business plans.• Obtained sensitivity analysis performed by the management on key assumptions and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in the carrying value. <p>Evaluated the appropriateness and adequacy of the disclosures made in the financial statements, in respect of impairment assessment of the investment in subsidiary as required by applicable financial reporting framework.</p>

4. Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises of the information included in the Annual Report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our Auditor's Report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

5. Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its associate in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of

preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and its associate are also responsible for overseeing the Group's financial reporting process

6. Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- v. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of the misstatement in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in; (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effects of any identified misstatements in the Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing

of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of Consolidated Financial Statements for the year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

7. Other Matter

- i. We did not audit the financial statements of five (5) subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of INR 74,162.83 lakhs as at March 31, 2024, total revenues (before consolidation adjustments) of INR 48,826.75 lakhs and net cash inflows (before consolidation adjustments) amounting to INR 940.59 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.
- ii. The Consolidated Financial Statements also include the Group's share of net loss (and other comprehensive income) (before consolidation adjustments) of INR Nil lakhs for the year ended March 31, 2024, as considered in the Consolidated Financial Statements, in respect of one (1) associate, whose financial statements have not been audited by us. This unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates

to the aforesaid associate, is based solely on such financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group and its associate.

Our opinion is not modified in respect of the above matters.

8. Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and its associate, as noted in the 'Other Matter' paragraph, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 (xxi) of the Order.
- ii. As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Financial Statements;
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors of the Holding

Company as on March 31, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act;

- f. With respect to the adequacy of the internal financial controls with reference to the Consolidated Financial Statements of the Holding Company and its subsidiaries and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this Report;
- g. In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company and its subsidiaries to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and its associates, as noted in the 'Other Matter' paragraph:
 - i. There are no pending litigations which would impact the consolidated financial position of the Group.
 - ii. As per information and explanation provided to us, the Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group and its associate;
 - iv. (a) The respective management of the Group and its associate whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that no funds have been advanced or loaned or invested (either from borrowed funds or

- share premium or any other sources or kind of funds) by the Group and its associate to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group and its associate (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 47 to Consolidated Financial Statements);
- (b) The respective management of the Group and its associate whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that no funds have been received by the Group from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Group and its associate shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 47 to Consolidated Financial Statements); and
- (c) Based on audit procedures performed by us and those performed by the auditors of the subsidiaries which

are companies incorporated in India, whose financial statements have been audited under the Act, that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note 32 to the Consolidated Financial Statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination which include test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner
Place: Mumbai Membership No. 123314
Date: May 22, 2024 UDIN: 24123314BKBZVP7826

Annexure A to the Independent Auditors’ Report of even date on the Consolidated Financial Statements of Capital India Finance Limited

Referred to in paragraph 8(i) under Report on Other Legal and Regulatory Requirements of our report of even date

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (“CARO”) reports of the companies included in the Consolidated Financial Statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner
Membership No. 123314
UDIN: 24123314BKBZVP7826

Annexure B to the Independent Auditors’ Report of even date on the Consolidated Financial Statements of Capital India Finance Limited

Referred to in paragraph 8(ii)(f) under Report on Other Legal and Regulatory Requirements of our report of even date
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the Consolidated Financial Statements of Capital India Finance Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its associate as at March 31, 2024, we have audited the internal financial controls over financial reporting of the Holding Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The managements of the respective companies in the Group and its associate are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Group and its associate based on our audit. We conducted our audit in accordance with the Guidance Note and the SAs, to the extent applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by the other companies, in terms of their reports referred to in the ‘Other Matters’ paragraph above, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Group and its associate.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and consideration of the reports of the other auditors referred to in the ‘Other

Matters’ paragraph below, the Group and its associate, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024 based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”).

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the

internal financial controls over financial reporting in so far as it relates to five (5) subsidiary companies, is based solely on the corresponding reports of the auditors of such companies.

Our opinion is not modified in respect of the above matter.

For **Singhi & Co.**
Chartered Accountants
Firm Registration No.: 302049E

Milind Agal
Partner

Place: Mumbai
Date: May 22, 2024

Membership No. 123314
UDIN: 24123314BKBZVP7826

Consolidated Balance sheet

as at March 31, 2024

(Currency: INR In Lakhs)

Sr. No.	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
	ASSETS			
1	Financial Assets			
a	Cash & cash equivalents	3	23,681.69	23,911.07
b	Bank balances other than Cash & cash equivalents	4	10,229.16	7,618.24
c	Receivables	5		
	(i) Trade Receivables		2,029.73	1,769.05
	(ii) Other Receivables		15.52	34.30
d	Loans	6	1,24,124.07	1,23,606.33
e	Investments	7	984.56	4,427.13
f	Other financial assets	8	4,253.48	2,262.33
2	Non-financial Assets			
a	Inventories	9	110.01	56.95
b	Current tax assets(net)	10	585.77	1,214.62
c	Deferred tax asset (net)	11	1,029.99	1,051.15
d	Property, plant and equipment	12	1,855.39	2,198.38
e	Capital work in progress	12A	30.17	15.00
f	Intangible assets under development	12B	1,001.18	3,513.39
g	Other intangible assets	12C	4,390.65	1,558.45
h	Goodwill on consolidation	12D	1,807.59	1,807.59
i	Right of use assets	12E	1,332.00	2,551.98
j	Other non-financial assets	13	2,629.19	1,888.49
	Total Assets		1,80,090.15	1,79,484.45
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	Financial Liabilities			
a	Payables	14		
	I Trade Payables			
	(i) Total outstanding dues of micro and small enterprises		77.12	47.61
	(ii) Total outstanding dues of creditors other than micro and small enterprises		1,448.93	1,466.58
	II Other Payables			
	(i) Total outstanding dues of micro and small enterprises		-	-
	(ii) Total outstanding dues of creditors other than micro and small enterprises		70.77	-
b	Debt Securities	15	-	8,053.58
c	Borrowings (Other than Debt Securities)	15A	88,355.51	81,523.70
d	Lease liabilities	40	1,570.28	2,867.43
e	Other financial liabilities	16	19,875.47	17,529.81
2	Non-Financial Liabilities			
a	Current tax liabilities (net)		0.79	-
b	Provisions	17	1,378.56	1,300.49
c	Other non-financial liabilities	18	1,362.70	1,066.16
3	EQUITY			
a	Equity share capital	19	7,773.43	7,773.43
b	Other equity	20	54,489.03	52,782.32
	Equity attributable to owners of the Company		62,262.46	60,555.75
c	Equity attributable to non-controlling interests		3,687.56	5,073.34
	Total Liabilities and Equity		1,80,090.15	1,79,484.45

Corporate Information

Material accounting policies

Notes 3 to 50 forms integral part of the Consolidated Financial Statements

For Singhi & Co.

Chartered Accountants

Firm Registration No. : 302049E

For and on behalf of the board

Capital India Finance Limited

Milind Agal

Partner

Membership No. : 123314

Place: Mumbai

Vinod Somani

Non-Executive Chairman (Independent)

DIN : 00327231

Place: Haridwar

Keshav Porwal

Managing Director

DIN : 06706341

Place: Mumbai

Pinank Jayant Shah

Chief Executive Officer

Place: Delhi

Vikas Srivastava

Chief Financial Officer

Place: Delhi

Rachit Malhotra

Chief Compliance Officer & Company Secretary

Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
	Revenue from operations :			
i	Interest income	21	21,263.38	17,559.28
ii	Fees and commission income		28,574.03	30,284.37
iii	Income from foreign exchange services		2,973.09	2,029.46
iv	Sale of devices		13,026.15	14,026.77
v	Net gain on fair value changes	22	403.50	244.14
vi	Net gain on derecognition of financial instruments under amortised cost category		1,017.90	339.01
vii	Other operating income		753.34	668.88
(I)	Total revenue from operations		68,011.39	65,151.91
(II)	Other income	23	789.14	541.71
(III)	Total income (I+II)		68,800.53	65,693.62
	Expenses :			
i	Finance costs	24	10,205.19	8,063.55
ii	Impairment of financial instruments	25	301.60	119.37
iii	Fees and commission expense		31,900.06	36,079.58
iv	Cost of materials consumed	26	122.10	310.80
v	Employee benefits expenses	27	15,723.99	18,414.02
vi	Depreciation and amortization expenses	12, 12C & 12E	3,016.73	2,476.41
vii	Others expenses	28	8,433.02	7,812.32
(IV)	Total expenses (IV)		69,702.69	73,276.05
	(Loss) before exceptional items and tax		(902.16)	(7,582.43)
(V)	Share of Profit/(Loss) of Associate		-	(960.36)
(VI)	(Loss) before exceptional items and tax (IV-V)		(902.16)	(8,542.79)
(VII)	Exceptional items	48	1,031.45	-
(VIII)	(Loss) before tax (VI -VII)		129.29	(8,542.79)
(IX)	Tax Expense:			
	Current Tax		737.79	539.61
	Deferred Tax	11	34.95	(375.40)
(X)	(Loss) for the year (VIII-IX)		(643.45)	(8,707.00)
(XI)	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Re-measurement of net defined benefit plan		(64.60)	43.80
	Income tax impact on above	11	13.78	(14.22)
	Total Other Comprehensive Income		(50.82)	29.58
(XII)	Total Comprehensive Income for the year (X+XI)		(694.27)	(8,677.42)
	(Loss) for the year attributable to :			
	Owners of the parent		1,164.78	(4,157.12)
	Non-controlling interests		(1,808.23)	(4,549.88)
	Other Comprehensive Income for the year attributable to :			
	Owners of the parent		(46.14)	35.60
	Non-controlling interests		(4.68)	(6.02)
	Total Comprehensive Income for the year attributable to :			
	Owners of the parent		1,118.64	(4,121.52)
	Non-controlling interests		(1,812.91)	(4,555.90)
(XIII)	Earnings per equity share (Face value of INR 10 each)	29		
	Basic (INR)		1.50	(5.35)
	Diluted (INR)		1.48	(5.32)

Corporate Information

Material accounting policies

Notes 3 to 50 forms integral part of the Consolidated Financial Statements

For Singhi & Co.

Chartered Accountants

Firm Registration No. : 302049E

For and on behalf of the board

Capital India Finance Limited

Milind Agal

Partner

Membership No. : 123314

Place: Mumbai

Vinod Somani

Non-Executive Chairman (Independent)

DIN : 00327231

Place: Haridwar

Keshav Porwal

Managing Director

DIN : 06706341

Place: Mumbai

Pinank Jayant Shah

Chief Executive Officer

Place: Delhi

Vikas Srivastava

Chief Financial Officer

Place: Delhi

Rachit Malhotra

Chief Compliance Officer & Company Secretary

Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items and taxes	129.29	(8,542.79)
Adjustments for:		
Depreciation and amortisation expenses	3,016.73	2,476.41
Provision for employee benefits	160.61	179.31
Share based payments to employees	1,092.91	4,989.87
Exceptional items	(1,031.45)	-
Loss on share of associates	-	960.36
Interest on Lease liability	174.49	288.61
Profit on Mutual Fund	(403.50)	(244.14)
Finance cost	10,030.70	7,556.47
Impairment on financial instruments	301.60	119.37
(Gain)/Loss on sale of property, plant and equipment	(19.89)	25.60
(Gain)/Loss on direct assignment transactions	(1,017.90)	-
Interest on income tax refund	(57.14)	(41.34)
Balance written back	(259.59)	-
Interest on unwinding of financial assets	(21.53)	(27.44)
Operating profit before working capital changes	12,095.33	7,740.29
Changes in -		
(Increase) / Decrease in loans and advances	(819.34)	(12,987.41)
(Increase) / Decrease in trade and other receivables	(241.90)	(866.58)
(Increase) / Decrease in other financial assets	(951.72)	585.38
(Increase) / Decrease in Inventory	(53.06)	48.21
(Increase) / Decrease in other non-financial assets	(759.48)	(691.58)
Increase / (Decrease) in trade payables	342.22	387.00
Increase / (Decrease) in other financial liabilities	2,345.66	3,755.22
Increase / (Decrease) in other non-financial liabilities	296.54	(29.89)
Increase/(Decrease) in provisions	(133.36)	264.26
Cash generated from/ (used in) operations	12,120.89	(1,795.10)
Income tax paid	(64.80)	(517.22)
Net Cash generated from/ (used in) operating activities (A)	12,056.09	(2,312.32)
B) Cash Flow From Investing Activities		
Purchase of property, plant and equipment and Intangible assets	(2,153.28)	(5,116.50)
Proceeds from sale of property, plant and equipment	24.06	33.59
Proceeds from sale of Investments in Associate	47.00	-
(Investments) / Redemption of mutual fund	4,830.52	(4,182.98)
(Investment)/Maturity in bank deposits	(2,610.92)	7,654.44
Net Cash generated from/ (used in) investing activities (B)	137.38	(1,611.45)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Payment of dividend and dividend distribution tax thereon	(77.73)	(77.73)
Payment of Lease rent	(1,092.66)	(1,160.02)
Proceeds/ (Repayment) from borrowings	(1,225.48)	16,850.61
Interest payment on borrowings	(10,026.98)	(7,587.00)
Net Cash generated from/ (used in) financing activities (C)	(12,422.85)	8,025.86
D) Net increase in cash and cash equivalents (A+B+C)	(229.38)	4,102.09
E) Cash and cash equivalents as at the beginning of the year	23,911.07	19,808.98
F) Cash and cash equivalents as at the end of the year	23,681.69	23,911.07

Consolidated Statement of Cash Flow

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Cash and cash equivalents comprises:

Particulars	As at March 31, 2024	As at March 31, 2023
Cash in hand	22.07	24.84
Balances with banks		
- in current accounts	19,689.21	12,797.75
- in deposit accounts	60.00	3,801.72
- Foreign Currencies in hand	604.83	543.93
- Escrow account	749.20	23.38
- Balance with non schedule bank	2,556.38	6,719.45
	23,681.69	23,911.07

Note : The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statement of Cash Flows'.

Corporate Information 1
Material Accounting Policies 2
Notes 3 to 50 forms integral part of the Consolidated Financial Statements

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

For and on behalf of the board
Capital India Finance Limited

Milind Agal
Partner
Membership No. : 123314
Place: Mumbai

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Haridwar

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Pinank Jayant Shah
Chief Executive Officer
Place: Delhi

Vikas Srivastava
Chief Financial Officer
Place: Delhi

Rachit Malhotra
Chief Compliance Officer & Company Secretary
Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

Consolidated Statement of Changes in Equity

for the year ended March 31, 2024

(Currency: INR In Lakhs)

A Equity share capital

Particulars	As at	
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	7,773.43	7,773.43
Issued During the year	-	-
Balance at the end of the year	7,773.43	7,773.43

B Other equity

Particulars	Reserves and Surplus				Other comprehensive income	Total attributable to owners of the parent	Non Controlling Interest	Total Other Equity
	Employee stock option outstanding	Statutory reserve	Securities premium	General reserves	Retained earnings			
Balance as at April 01, 2022	643.68	1,541.62	51,069.02	1.76	1,005.86	54,348.76	7,272.23	61,620.99
Dividend paid including dividend distribution tax	-	-	-	-	(77.73)	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	366.54	-	-	(366.54)	-	-	-
Other Additions/Deductions during the year	2,572.31	-	-	-	60.50	2,632.81	2,357.01	4,989.82
Profit (loss) for the year after income tax	-	-	-	-	(4,157.12)	(4,157.12)	(4,549.88)	(8,707.00)
Other Comprehensive Income for the year before income tax	-	-	-	-	-	49.82	(6.02)	43.80
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	(14.22)	-	(14.22)
Balance as at March 31, 2023	3,215.99	1,908.16	51,069.02	1.76	(3,535.03)	52,782.32	5,073.34	57,855.66
Dividend paid including dividend distribution tax	-	-	-	-	(77.73)	(77.73)	-	(77.73)
Transfer to/from retained earnings	-	426.80	-	-	(426.80)	-	-	-
Other Additions/Deductions during the year	455.28	-	-	-	210.51	665.79	427.13	1,092.92
Profit (loss) for the year after income tax	-	-	-	-	1,164.79	1,164.79	(1,808.23)	(643.44)
Other comprehensive income for the year before income tax	-	-	-	-	-	(59.92)	(4.68)	(64.60)
Less: Income Tax on Other Comprehensive Income	-	-	-	-	-	13.78	-	13.78
Balance as at March 31, 2024	3,671.27	2,334.96	51,069.02	1.76	(2,664.26)	54,489.03	3,687.56	58,176.59

For Singhi & Co.
Chartered Accountants
Firm Registration No. : 302049E

Milind Agal
Partner
Membership No. : 123314
Place: Mumbai

For and on behalf of the board
Capital India Finance Limited

Vinod Somani
Non-Executive Chairman (Independent)
DIN : 00327231
Place: Haridwar

Vikas Srivastava
Chief Financial Officer
Place: Delhi

Date: May 22, 2024

Date: May 22, 2024

Keshav Porwal
Managing Director
DIN : 06706341
Place: Mumbai

Rachit Malhotra
Chief Compliance Officer & Company Secretary
Place: Delhi

Pinank Jayant Shah
Chief Executive Officer
Place: Delhi

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

1 Corporate Information

The consolidated financial statements relate to Capital India Finance Limited (the Holding Company / Company) and its subsidiary companies. The Holding Company and its subsidiary companies constitute the group. The Group's is primarily into lending, forex (including MTSS business) and fintech business.

The Holding Company's equity shares are listed on the BSE Limited in India.

2 Material accounting Policies

2.1 Basis of Preparation

A) Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. In addition, applicable regulations of Reserve Bank of India (RBI) and the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations.

B) Functional and presentation currency

The Group's presentation and functional currency is Indian Rupees. All figures appearing in the consolidated financial statements are in Indian rupees in lakh rounded off to two decimal places as permitted by Schedule III to the Act. Per share data are presented in Indian Rupee to two decimal places.

C) Basis of preparation, presentation and disclosure of financial statements

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Further, Assets and liabilities are classified as per the normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act as applicable to NBFCs.

D) Fair value measurement

Fair value is the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants

at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date.

The best estimate of the fair value of a financial instrument on initial recognition is normally the transaction price. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently that difference is recognised in Statement of Profit and Loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 - Valuation using quoted market price in active markets: The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price, without any deduction for transaction costs. A market is regarded as active, if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

• Level 2 - Valuation using observable inputs: If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates most of the factors that market participants would take into account in pricing a transaction.

• Level 3 - Valuation with significant unobservable inputs: The valuation techniques are used only when fair value cannot be determined by using observable inputs. The Group regularly reviews significant unobservable inputs and valuation adjustments. Level 3 assets are typically very illiquid, and fair values can only be calculated using estimates.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

E) Use of judgment and Estimates

The preparation of the financial statements requires the management to make judgments, estimates and assumptions in the application of accounting policies that affects the reported amount of assets, liabilities and the accompanying disclosures along with contingent liabilities as at the date of financial statements and revenue & expenses for the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognised in the year in which the results are known or materialized, i.e., prospectively.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas involving estimation uncertainty, higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements include:

- Impairment of financial assets
- Estimation of fair value measurement of financial assets and liabilities
- Effective interest rate
- Business model assessment
- Provisions and Contingencies
- Useful life and expected residual value of assets
- Tax position for current tax and recognition of deferred tax assets/liabilities
- Measurement of Defined Benefit Obligations and actuarial assumptions
- Classification of lease and related discount rate

Further an entity is consolidated as a subsidiary if the Company has control over the said entity based on the management evaluation of investments and related agreements/ deeds and determine that the Group has control over the said entity in terms of Ind AS-110 on Consolidated Financial Statements. Control shall include the right to

appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner.

2.2 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries. Control is achieved when the Group:

- has power over the investee,
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
- potential voting rights held by the Group, other vote holders or other parties,
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries:

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, incomes, and expenses of a subsidiary acquired or disposed of, during the year are included in the consolidated financial statements from the date the Group gains control, until the date when the Group ceases to control the subsidiary.

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The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items. Inter-Group transactions, balances, and unrealized gains on transactions between the Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All inter-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Change in ownership interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. A change in the ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method as per Ind AS 103 – Business Combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value at the acquisition date, except that:

Assets and liabilities related to Deferred Tax and Employee Benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the noncontrolling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

2.4 Goodwill

Goodwill arising on an acquisition of a business is carried at cost established at the date of acquisition of the business less accumulated impairment loss if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGU) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired, if the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the units pro-rata based on the carrying amount of each asset in the unit, any impairment loss or goodwill is not reversed in subsequent period.

On disposal of relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.5 Financial Instruments

a) Recognition and initial measurement –

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provision of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets or financial liabilities at fair value

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through profit or loss (FVTPL) are recognized immediately in Statement of Profit and Loss.

A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognized amounts and it is intended to either settle on net basis or to realize the asset and settle the liability simultaneously.

b) Classification and Subsequent measurement of financial assets –

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- Fair value through other comprehensive income (FVTOCI) – debt instruments
- Fair value through other comprehensive income (FVTOCI) – equity instruments
- Fair value through profit and loss FVTPL

Amortised cost - The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. Financial assets are subsequently measured at amortized cost using Effective Interest Rate (EIR) if these financial assets are held within a business model whose objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Group measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVTOCI - debt instruments - The Group measures its debt instruments at FVTOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

FVTOCI - equity instruments - The Group subsequently measures all equity investments at fair value through profit or loss, unless the Group's management has elected to classify irrevocably some of its equity instruments at FVTOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Debt investments at FVTOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in Statement of profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

For equity investments, the Group makes selection on an instrument-by-instrument basis to designate equity investments as measured at FVTOCI. These selected investments are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognised in Statement of Profit and Loss.

Equity investments that are not designated as measured at FVTOCI are designated as measured at FVTPL and subsequent changes in fair value are recognised in Statement of Profit and Loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.

c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognized when:

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- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

d) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

e) Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the Balance Sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

f) Impairment of financial instruments

The Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets measured at amortised cost or FVTOCI, except for investments in equity instruments. Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition.

Stage 1 (Performing Assets) – includes financial assets that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL is recognized, and interest income is calculated on the gross carrying amount of the assets (that is, without deduction for credit allowance). 12-month ECL are the portion of ECL that results from default events on a financial instrument that are possible within 12 months after the reporting date, if the credit risk has not significantly increased since initial recognition.

Stage 2 (Underperforming Assets with significant increase in credit risk since initial recognition) – includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest income is calculated on the gross carrying amount of the assets. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the instrument.

Stage 3 (Non-performing or Credit-impaired assets) – includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL is recognised and interest income is recognised on Net exposure (that is Gross carrying amount less Provision for Expected credit losses).

Measurement of Expected Credit Loss

Expected Credit Losses (ECL) on financial assets is an unbiased probability weighted amount based out of possible outcomes after considering risk of credit loss even if probability is low and incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. Measurement of expected credit losses are based on 3 main parameters.

- **Probability of default (PD):** It is defined as the probability of whether borrowers will default on their obligations in future. Since the Group don't have any history of past losses therefore it was not adequate enough to create our own internal model through which actual defaults for each grade could be estimated. Hence, the default study published by one of the recognised rating agency is used for estimating the PDs for each range grade in case of corporate clients and for

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Individual clients Group estimates PD based on Industrial data available at public domain for similar kind of Loans.

- **Loss given default (LGD):** It is the magnitude of the likely loss, if there is a default. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value.

The default study published by one of the recognised rating agency is used for estimating the LGD for secured and unsecured loans.

- **Exposure at default (EAD):** EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.

g) Write offs

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the financial asset (either in its entirety or a portion of it). This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

h) Presentation of allowance for ECL in the Balance Sheet

Loss allowances for ECL are presented in the statement of financial position as follows:

- For financial assets measured at amortized cost; as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVTOCI; loss allowance is recognized separately in Balance Sheet and the carrying amount is at fair value.

i) Financial liabilities and equity instruments:

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit or Loss. Any gain or loss on derecognition is also recognised in Statement of Profit or Loss.

The Group de-recognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss

2.6 Cash and Cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances, demand deposits with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than or equal to three months. These balances with banks are unrestricted for withdrawal and usage.

Other bank balances include balances and deposits with banks that are restricted for withdrawal and usage.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits.

2.7 Statement of Cash Flow

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is

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reported using indirect method adjusting the net profit for the effects of:

- changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.8 Property, plant and equipment

a) Recognition and Measurement

Tangible property plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The cost of property, plant and equipment comprise purchase price and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-financial assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

An item of PPE is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gain or loss arising on the disposal or retirement of an item of PPE, is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The residual values and useful lives and method of depreciation of PPE are reviewed at each financial year end and adjusted prospectively.

b) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure incurred after the PPE have been put into operations, such as repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.

c) Depreciation, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives as prescribed in Part C of Schedule II to the Companies Act 2013. The estimated lives used and differences from the lives prescribed under Schedule II are noted in the table below: -

Type of Assets	Estimated useful life as assessed by the Group	Estimated useful life under Schedule II of the Act
Computers	3 years	3 years
Computer Software	3 years	3 years
Office equipment	5 years	5 years
Vehicles	5 years	8 years
Furniture and fixtures	10 years	10 years
Leasehold improvements	Tenure of lease agreements	Tenure of lease agreements

Depreciation is provided on a pro-rata basis i.e., from the month in which asset is ready for use. Individual assets costing less than or equals to INR 5,000 are depreciated in full, in the year of purchase. Depreciation on assets sold during the year is recognised on a pro-rata basis in the Statement of Profit and Loss up to the date prior to the date in which the assets have been disposed off.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates.

2.9 Intangible assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets comprise of computer software which are capitalized at cost of acquisition including cost attributable to readying the asset for use. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

The useful life of these intangible assets is estimated at 3 years with zero residual value.

Any expenses on such software for support and maintenance payable annually are charged to the Statement of Profit and Loss.

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2.10 Impairment of non-financial assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, impairment is recognised for such excess amount in Statement of Profit and Loss. Recoverable amount is the greater of the net selling price and value in use. If at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment losses previously recognised are reversed such that the asset is recognised at its recoverable amount but not exceeding written down value which would have been reported if the impairment losses had not been recognised initially.

2.11 Inventory

Inventory represents Mobile ATM devices, Biometric devices, Mobile Point of Sale devices. Inventory is carried at Cost or Net realizable value whichever is lower.

2.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when:

- an entity has a present obligation (legal or constructive) as a result of a past event; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation

These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Further, long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Contingent liability is disclosed in case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- a present obligation arising from past events, when no reliable estimate is possible.

Contingent Assets:

Contingent assets are not disclosed in the financial statements.

2.13 Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- uncalled liability on loans sanctioned, first loss default guarantee on loans, uncalled liability on investments partly paid; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.14 Foreign exchange transactions and translations

a) Initial recognition:

On initial recognition, transactions in foreign currencies entered by the Group are recorded in the functional currency (i.e., Indian Rupees), by applying foreign currency amount, the spot exchange rate between the functional currency and foreign currency at the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year recognized in the Statement of Profit and Loss.

b) Measurement of Foreign currency items at reporting date:

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate s at the date when the fair values is measured. When any non-monetary foreign currency item is recognized in Other Comprehensive Income, gain or loss on exchange fluctuation is also recorded in the Other comprehensive Income.

2.15 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

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a) Recognition of Interest income

Interest income on financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR').

Interest Income is recognized in the statement of Profit and Loss using effective interest rate (EIR) on all financial assets subsequently measured under amortized cost or fair value through other comprehensive income (FVTCOI) except for those classified as held for trading.

The calculation of EIR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVPL transaction costs are recognized in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e., at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit- impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e., the gross carrying amount less the allowance for ECLs). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income on penal interest and tax refunds is recognised on receipt basis.

Interest income on fixed deposit is recognised on time proportionate basis.

b) Fee and Commission income

Fee and commission income include fees other than those that are an integral part of EIR. The fees included in the Group's Statement of Profit and Loss include among other things fees charged for servicing a loan, loan advisory fees and documentation charges. Income from consultancy and commission is recognized on completion of relevant activity based on agreed terms of the contract.

c) Other financial charges

Cheque bouncing charges, late payment charges and foreclosure charges are recognised on a point-in-time basis, and are recorded when realised since the probability of

collecting such monies is established when the customer pays.

d) Income from securities

Gains or losses on the sale of securities are recognised in Statement of profit and loss on trade date basis as the difference between fair value of the consideration received and carrying amount of the investment securities.

e) Net gain/ Loss on fair value changes

Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Group on the Balance Sheet date is recognised as an unrealised gain/loss in the Statement of Profit and Loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains on fair value changes" under income and if there is net loss in aggregate, the same is recognised in "Net loss on fair value changes" under Expenses in the Statement of Profit and Loss.

f) Dividend income

Dividend income is recognised when the Group's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

g) Revenue from prepaid instruments and allied services

Revenue is recognized on completion of provision of services. Prepaid Sale includes sale of prepaid electronic mobile recharge vouchers/pins, money remittance services, and other E-services purchased from services operators at discounted rates.

Revenue, net of discount, from sale of electronic recharge vouchers/pins is recognized on transfer of all significant risks and rewards to the customer and when no significant uncertainty exists regarding realization of consideration.

Income from Technical integration and money remittance services is recognized on accrual basis after completion of service delivery.

h) Income from foreign Currency

It comprises of income arising from the buying and selling of foreign currencies on the on the net margins earned, commissions on sale of foreign currency denominated prepaid cards and agency commissions from on currency remittances. Revenues from financial services are recognised by reference to the time of services rendered.

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- i) In case of subsidiary Rapipay Fintech Private Limited, a customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The transaction price is allocated by the Company to each performance obligation (or distinct goods or services) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a

promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

Revenue (net of discount) from sale of electronic recharges is recognized on real time basis when the Company satisfies the performance obligation by successful facilitation of services to customers.

Fees from money remittance services, AEPS, Micro-ATM and other E-services is recognized on real time basis after completion of service delivery.

Interest income is earned on the loans to users by respective lending partners. Commission income is shared by the lending partners as per terms of agreements entered into amongst the Company and the lending partners and accounted by the Company on accrual basis. Loan facilitation fees is recognized on satisfaction of associated performance obligation i.e. on sourcing of customer for lending partners and when amount of loan or credit is transferred to the merchant's/ Direct Business Outlets (DBOs) accounts based on standard agreements entered with the respective lending partners. Servicing fee related to loan facilitation services, collection, monitoring etc. is recognized over the tenure of loan.

Income in the form of rental is a fixed amount per month charged from merchants as per standard terms and conditions of the agreements for use of soundbox.

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Information about the Company's performance obligations can be summarized as below: -

a) Payments services to Consumers

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis. The payment against facilitation of such services is generally due within 30 days of completion of services. Majorly the commission income is settled on T+1 basis and only minimal amount with respect to GST is received within a period of 30 days.

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b) Sale of digital products/ services

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis. The payment against facilitation of such services is received on real time basis.

c) Others (including Financial Services)

There are two performance obligations in the complete transaction:

Upfront processing fee on sourcing of loan- The processing fee for sourcing of loan is earned on upfront basis and hence the revenue recognition is made on point in time.

Income on servicing of loans- The collection of installments on loans serviced is made on daily basis and hence the revenue recognition is made over the period of loan.

d) Sale of devices

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis. The payment against facilitation of such services is received on real time basis.

e) Service activation income

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis. The payment against facilitation of such services is received on real time basis.

f) Income from other ancillary services

There is a single performance obligation which is said to be completed once the transaction is successful and hence the revenue recognition is done on point in time basis.

2.16 Employee benefits

Short term employee benefits

Employee benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Long Term employee benefits

Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Long-term employee benefit primarily consists of Leave encashment benefits wherein employees are entitled to accumulate leave subject to certain limits for future encashment/availment. Long-term compensated absences are provided for on the basis of an actuarial valuation at the end of each financial year using Projected Unit Credit (PUC) Method. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

Post-employment benefits

a) Defined contribution Plans

Provident fund: Contributions as required under the statute, made to the Provident Fund (Defined Contribution Plan) are recognised immediately in the Statement of Profit and Loss. There is no obligation other than the monthly contribution payable to the Regional Provident Fund Commissioner.

ESIC and Labour welfare fund: The Group's contribution paid/payable during the year to Employee state insurance scheme and Labour welfare fund are recognised in the Statement of Profit and Loss.

b) Defined benefit Plans

Gratuity liability is defined benefit obligation and is provided on the basis of an actuarial valuation performed by an independent actuary based on projected unit credit method, at the end of each financial year.

Defined benefit costs are categorised as follows:

- i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- ii) Net interest expense or income
- iii) Re-measurement

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI, net of taxes. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying

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(Currency: INR In Lakhs)

the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

The Group's net obligation in respect of gratuity (defined benefit plan), is calculated by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is recognised as an asset to the extent of present value of any economic benefits available in the form of refunds from the plans or reductions in the future contribution to the plans.

Share based Payments

Equity-settled share-based payments to employees are recognised as an expense at the fair value of equity stock options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

2.17 Finance cost

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at amortised cost. Financial instruments include bank term loans, Vehicle loans and non-convertible debentures. Finance costs are charged to the Statement of Profit and Loss. Ancillary and other borrowing costs are amortised on straight line basis over the tenure of the underlying loan.

2.18 Leases

The Group's lease asset classes primarily consist of leases for Premises. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use

of an identified asset for a time in exchange for a consideration.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Group as a lessee

The Group assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves–

- the use of an identified asset,
- the right to obtain substantially all the economic benefits from use of the identified asset, and
- the right to direct the use of the identified asset.

The Group at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, for all lease arrangements in which it is a lessee, except for leases with term of less than twelve months (short term) and low-value assets.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

For lease liabilities at inception, the Group measures the lease liability at the present value of the lease

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(Currency: INR In Lakhs)

payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in the Statement of Profit and Loss.

For short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

Lease liability has been presented in "Other Financial Liabilities" and ROU asset has been presented "Property, Plant and Equipment" and lease payments have been classified as financing cash flows.

2.19 Share issue expenses

Expenses incurred in connection with fresh issue of Share capital are adjusted against Securities premium account in accordance with the provisions of Section 52 of the Companies Act, 2013 and Ind AS.

2.20 Collateral

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as securities, letter of credit/guarantees, receivables, inventories, other non-financial assets and credit enhancements such as netting arrangements.

The Group provides fully secured, partially secured and unsecured loans to Corporates and individuals.

2.21 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current Tax

The Current tax is based on the taxable profit for the year of the Group. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that

are never taxable or deductible. The current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax assets and tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities.

Minimum Alternate Tax (MAT) credit entitlement (i.e., excess of amount of MAT paid for a year over

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(Currency: INR In Lakhs)

normal tax liability for that year) eligible for set-off in subsequent years is recognised as an asset in accordance with Ind AS 12, Income Taxes, if there is convincing evidence of its realisation.

MAT credit is created by way of a credit to the Statement of Profit and Loss. The Group reviews the same at each Balance Sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

2.22 Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.23 Segment reporting

The Board of Directors of the Company has identified the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment

reporting are in conformity with the accounting policies adopted for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs.

2.24 Dividend distribution to equity holders of the Group

The Group recognises a liability to make distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Act, final dividend is authorised when it is approved by the shareholders and interim dividend is authorised when it is approved by the Board of Directors of the Group.

2.25 Goods and Services Input Tax Credit

Goods and Services tax input credit is accounted for in the books in the period in which the supply of goods or service received is accounted and when there is no uncertainty in availing/utilizing the credits.

2.26 Operating cycle for current and non-current classification

Based on the nature of activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

3 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	22.07	24.84
Balances with banks		
- in current accounts	19,689.21	12,797.75
- in fixed deposits with original maturity 3 months or less	60.00	3,801.72
- Escrow account *	749.20	23.38
- Other balance with banks **	2,556.38	6,719.45
Foreign currencies in hand	604.83	543.93
	23,681.69	23,911.07

* In case of subsidiary Rapipay Fintech Private Limited, the balance in Escrow account is maintained under the guidelines of Reserve Bank of India for operating of semi closed Prepaid Payment Instruments and can be used only for the specified purposes.

** In case of subsidiary Rapipay Fintech Private Limited, the amount includes balances of INR 2,522.99 Lakhs (March 31, 2023: INR 6,676.63 Lakhs) with payment banks and wallet balances of INR 33.39 Lakhs (March 31, 2023: INR 42.82 Lakhs).

4 Bank Balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed deposit with bank (Maturity more than 3 months) (refer note 1)	10,223.56	7,614.05
Earmarked balance with bank (refer note 2)	2.77	1.52
Dividend account balance	2.83	2.67
	10,229.16	7,618.24

Note :

- Fixed Deposits with banks having maturity more than 3 months include deposit against forward cover of INR 42.34 lakhs. (March 31, 2023 INR 40.00 Lakhs).
 - Balances with banks held as security against borrowings are to the tune of INR 6,986.75 Lakhs (March 31, 2023 INR 5,353.00 Lakhs).
 - In case of subsidiary Rapipay Fintech Private Limited, bank deposit of INR 1,235.24 Lakhs (March 31, 2023: INR 438.80 Lakhs) are marked as lien with scheduled banks consequent to the contractual agreements with the NBFC lenders pursuant to the "Digital Lending" guidelines issued by the Reserve Bank of India.
- In case of subsidiary Rapipay Fintech Private Limited, has entered into agreements with certain banks whereby it acts as aggregator by providing services to various merchants in relation to facilitating electronic payments by their customers using debit cards and credit cards. The Company settles these transactions through nodal bank accounts where applicable as per local regulations. Amount received in these accounts, which are payable to merchants for settlement are restricted and cannot be used for general purpose. Hence, this included earmarked balance amounting INR 2.77 Lakhs (March 31, 2023: INR 1.52 Lakhs).

5 Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Trade receivables		
i) Secured considered good	-	-
ii) Unsecured considered good	2,029.73	1,769.05
iii) Doubtful	16.08	7.77
Subtotal (i+ii+iii)	2,045.81	1,776.82
Less: Allowance for bad and doubtful debts	(16.08)	(7.77)
Net Receivables (a)	2,029.73	1,769.05

Notes to Consolidated Ind AS Financial Statements

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(Currency: INR In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(ii) Other receivables		
i) Secured considered good	-	-
ii) Unsecured considered good	15.52	34.30
iii) Doubtful	-	-
Subtotal (i+ii+iii)	15.52	34.30
Less: Allowance for bad and doubtful debts	-	-
Net Receivables (b)	15.52	34.30
Total (a)+(b)	2,045.25	1,803.35

- Other receivables includes amounts due from related parties INR 0.98 Lakhs (as at March 31, 2023: INR Nil) (Refer Note 37).
- There are no dues from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Outstanding as at March 31, 2024

Particulars	Unbilled dues	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	-	2,027.04	1.79	0.90	-	-	2,029.73
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	16.08	-	16.08
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables–considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	-	(16.08)	-	(16.08)
	-	2,027.04	1.79	0.90	-	-	2,029.73

Outstanding as at March 31, 2023

Particulars	Unbilled dues	Less than 6 months	6 months - 1 year	1-2 year	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	-	279.85	1,479.70	9.50	-	-	1,769.05
Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	7.77	-	-	7.77
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables–considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowances for expected credit loss	-	-	-	(7.77)	-	-	(7.77)
	-	279.85	1,479.70	9.50	-	-	1,769.05

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

6 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Advances - at amortised cost		
Vendor financing (Secured)	69.65	15.05
Gross	69.65	15.05
Less: Impairment loss allowance	0.17	0.06
Subtotal (1)	69.48	14.99
(B) Term Loans in India - at amortised cost		
i Secured	1,06,739.44	1,08,269.06
ii Unsecured	21,565.01	20,215.65
Gross	1,28,304.45	1,28,484.71
Less: Impairment loss allowance	2,543.54	2,242.04
Subtotal (2)	1,25,760.91	1,26,242.67
(C) (I) Loans and Advances In India		
i Public Sectors	-	-
ii Others	1,28,374.10	1,28,499.76
Gross	1,28,374.10	1,28,499.76
Less: Impairment loss allowance	2,543.71	2,242.10
Net	1,25,830.39	1,26,257.66
(II) Loans and advances Outside India (Net)	-	-
Net	1,25,830.39	1,26,257.66
Less: Unamortised processing fee Income	743.41	668.55
Less: Collection from customers	962.91	1,982.78
Subtotal (3)	1,706.32	2,651.33
Loans (Net) (1+2+3)	1,24,124.07	1,23,606.33

(A) Bifurcation of Secured loans & advances

Particulars	As at March 31, 2024	As at March 31, 2023
Secured by book debt	3,417.63	5,202.37
Secured by tangible asset	1,03,171.62	1,02,852.17
Covered by bank or government guarantee	219.84	229.57
Total	1,06,809.09	1,08,284.11

Notes:

- There are no loan assets Recognised at Fair value through profit & loss or Fair value through other comprehensive income.
- Secured loans are secured by underlying securities of lands, commercial properties, residential properties, personal guarantee, corporate guarantee, equitable mortgage of property etc.
- Stage wise classification of loans & impairment allowance is disclosed in Note 43.
- Refer Note 37 for Related party transaction.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(B) Loans or advances in the nature of loans are granted to promoters, directors, key managerial personnel (KMPs) and the related parties

Outstanding as at March 31, 2024

Sr No	Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans
1	Promoters	-	-
2	Directors	-	-
3	KMPs	-	-
4	Related parties	-	-
	Total	-	-

Outstanding as at March 31, 2023

Sr No	Type of borrower	Amount of loan or advance in the nature of loan outstanding	Percentage of total loan and advance in nature of loans
1	Promoters	-	-
2	Directors	-	-
3	KMPs	-	-
4	Related parties	705.06	0.55%
	Total	705.06	0.55%

7 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Recorded at amortised cost		
Investment in equity instruments	984.56	-
Recorded at Fair value through P&L		
Investment in Liquid mutual fund units	-	4,427.13
Total	984.56	4,427.13

Particulars	As at March 31, 2024	As at March 31, 2023
Investment outside India	-	-
Investment in India	984.56	4,427.13
Total	984.56	4,427.13

Note:

- (i) Based on assessment, no impairment loss has been recognised for the year ended March 31, 2024 and March 31, 2023.
- (ii) Detail for Investment in Mutual Funds.

Particulars	As at March 31, 2024	As at March 31, 2023
Aditya Birla Sun Life Liquid Fund- Growth Direct (March 31, 2023 - 3,46,065 Units)	-	1,256.50
Nippon India Liquid Fund (March 31, 2023 - 29,891 Units)	-	1,646.06
SBI Premier Liquid Fund- Direct (March 31, 2023 - 43,271 Units)	-	1,524.57
TOTAL	-	4,427.13

- (iii) Refer Note 37 for Related party transactions.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

8 Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured considered good		
Interest accrued but not due on fixed deposits	332.80	188.07
Accrued income	30.21	41.30
Security deposits	825.53	784.79
Advance Paid to Staff and vendors	6.18	4.97
Deferred consideration on direct assignments	1,492.86	518.39
Other advances	23.38	12.83
Ex. Gratia receivable	0.68	0.68
Fixed Deposit more than 12 months (refer note i and ii)	373.71	30.55
Receivables from service providers	940.83	303.22
Cash collateral/margin on borrowing	7.72	11.59
Amount recoverable from agents (DBO's)	59.27	190.66
Unbilled Revenue	160.31	175.28
	4,253.48	2,262.33

- i. In case of subsidiary Rapipay Fintech Private Limited, bank deposits of INR 25.00 Lakhs (March 31, 2023: INR 25.00 Lakhs) is pledged as security against bank guarantee at the end of March 31, 2024.
- ii. In case of subsidiary Rapipay Fintech Private Limited, bank deposit of INR 321.44 Lakhs (March 31, 2023- INR Nil) are marked under lien by banks and a few service providers as per the contractual agreement.
- iii. In case of subsidiary Rapipay Fintech Private Limited, in respect of settlements done between the Company and Direct Business Outlets (DBO's), these amounts are settled by the service provider within T+1 days.

9 Inventory

Particulars	As at March 31, 2024	As at March 31, 2023
Stock-in-trade of goods acquired for trading	110.01	59.53
Less: Provisions for obsolete inventory	-	(2.58)
Total Inventories	110.01	56.95

- (i) The cost of inventories recognised as an expense during the year in respect of continuing operations was INR 122.09 Lakhs(March 31, 2023: INR 310.80 Lakhs).
- (ii) The cost of inventories recognised includes INR Nil (March 31, 2023: INR 2.58 Lakhs) in respect of write downs / (write-up) of inventory to net realisable value. This was recognised as an expense during the year ended March 31, 2023 in the statement of profit and loss.

10 Current tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Advance tax and tax deducted at source (Include Net of provision)	585.77	1,214.62
	585.77	1,214.62

Notes to Consolidated Ind AS Financial Statements

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(Currency: INR In Lakhs)

11 Deferred tax assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Asset/(Liabilities) Net		
Deferred Tax Asset		
Provision for Expected Credit Loss	642.10	566.19
Provision for employee benefits	154.97	113.79
Unamortised processing fee	187.11	168.27
Depreciation	325.80	297.85
Carry forward losses	-	290.54
Amortization adjustment on Lease deposits	350.93	9.54
Lease Liability	60.67	69.70
Deferred Tax Liabilities		
Interest adjustments on Lease deposits	(15.86)	(9.45)
Unamortised borrowing cost	(291.45)	(325.14)
Deferred consideration on direct assignments	(375.74)	(130.48)
Unrealised gain on MF	-	(2.18)
Lease modification	(8.54)	(8.54)
Deferred Tax Asset/(Liabilities) Net	1,029.99	1,040.09
Mat credit entitlement	-	11.06
	1,029.99	1,051.15

Note:

- (i) The Group has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

Break-up of movement in net deferred tax assets		
Routed through Profit & Loss	(34.95)	375.40
Routed through other comprehensive income	13.78	(14.22)

- (ii) Refer Note No. 41 for detail on Income Taxes.

- (iii) The Group has assessed and not recognised the deferred tax assets in case of subsidiaries, Rapipay fintech private limited on carried forward losses and unabsorbed depreciation amounting INR 4,788.88 Lakhs (March 31, 2023: INR 3,898.83 Lakhs) as future taxable profit against which such losses can be adjusted is not possible.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

12 Property, Plant and Equipment

Particulars	As at March 31, 2024						
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Plant & Machinery	Computer & printers	Total
At cost at the beginning of the year	803.31	496.72	562.18	1,323.85	-	956.85	4,142.91
Additions	8.95	158.23	12.88	184.12	45.69	73.26	483.13
Disposals	0.66	94.66	4.70	-	-	15.87	115.89
Gross Block	811.60	560.29	570.36	1,507.97	45.69	1,014.24	4,510.15
Accumulated depreciation	304.22	309.40	328.95	552.11	-	449.85	1,944.53
Depreciation for the year	90.26	87.83	105.60	257.86	5.21	275.19	821.95
Deduction and other adjustments	0.34	94.66	1.83	-	-	14.89	111.72
Accumulated depreciation	394.14	302.57	432.72	809.97	5.21	710.15	2,654.76
Net carrying amount	417.46	257.72	137.64	698.00	40.48	304.09	1,855.39

Particulars	As at March 31, 2023						
	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold improvements	Plant & Machinery	Computer & printers	Total
At cost at the beginning of the year	815.26	511.27	535.41	1,288.80	-	544.63	3,695.37
Additions	30.72	-	52.17	113.17	-	426.20	622.26
Disposals	42.67	14.55	25.40	78.12	-	13.98	174.72
Gross Block	803.31	496.72	562.18	1,323.85	-	956.85	4,142.91
Accumulated depreciation	229.58	221.70	230.36	326.76	-	236.73	1,245.13
Depreciation for the year	92.11	100.24	120.51	278.51	-	221.89	813.26
Deduction and other adjustments	17.47	12.54	21.92	53.16	-	8.77	113.86
Accumulated depreciation	304.22	309.40	328.95	552.11	-	449.85	1,944.53
Net carrying amount	499.09	187.32	233.23	771.74	-	507.00	2,198.38

Notes:

- The Group does not hold any immovable property where title deeds are not held in the name of the Group and no immovable property are jointly owned with others during the year ended March 31, 2024 and March 31, 2023.
- There is no revaluation of property plant and equipment during the year March 31, 2024 and March 31, 2023.
- The Group does not hold any Benami property under the Benami Transaction (Prohibition) Act, 1983 and Rules made thereunder.
- The Group do not have any investment property as at March 31, 2024 and March 31, 2023.

Notes to Consolidated Ind AS Financial Statements

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(Currency: INR In Lakhs)

12A Capital -work in progress

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	15.00	0.88
Additions for the year	30.17	15.00
Deduction during the year	15.00	0.88
Balance as at the end of the year	30.17	15.00

Capital -work in progress ageing schedule as at March 31, 2024

Particulars	Less than 1 Year	1 – 2 year	2-3 year	More than 3 year	Total
Projects in progress	30.17	-	-	-	30.17
	30.17	-	-	-	30.17

Capital -work in progress ageing schedule as on March 31, 2023

Particulars	Less than 1 Year	1 – 2 year	2-3 year	More than 3 year	Total
Projects in progress	15.00	-	-	-	15.00
	15.00	-	-	-	15.00

Notes:

- (i) There are no projects whose completion is overdue or has exceeded its cost compared to its original plan.

12B Intangible assets under development

Particulars	As at March 31, 2024	As at March 31, 2023
Balance as at the beginning of the year	3,513.39	1,137.99
Additions for the year	1,655.84	3,212.90
Capitalised during the year	(4,168.05)	(837.50)
Balance as at the end of the year	1,001.18	3,513.39

Intangible asset under development ageing schedule as at March 31, 2024

Particulars	Less than 1 Year	1 – 2 year	2-3 year	More than 3 year	Total
Neo Banking	54.49	-	-	-	54.49
Others	392.76	528.59	25.34	-	946.69
	447.25	528.59	25.34	-	1,001.18

Intangible asset under development ageing schedule as at March 31, 2023

Particulars	Less than 1 Year	1 – 2 year	2-3 year	More than 3 year	Total
Neo Banking	2,418.76	466.02	-	-	2,884.78
Others	517.72	110.89	-	-	628.61
	2,936.48	576.91	-	-	3,513.39

Notes:

- (i) No Projects has been suspended during the year or has exceeded its cost compared to its original plan.
- (ii) Ageing has been reckoned from the project start date.
- (iii) There are no projects which are either overdue or have exceeded their cost compared to their original plan as at March 31, 2024 and March 31, 2023.
- (iv) There are no projects where activity has been suspended.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

12C Other intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Computer Software		
At cost, beginning of the year	2,887.30	2,028.21
Additions	4,185.99	859.09
Gross Block	7,073.29	2,887.30
Accumulated amortization :		
At beginning of the year	1,328.85	607.99
Amortization for the year	1,353.79	720.86
Total amortization	2,682.64	1,328.85
Net carrying amount	4,390.65	1,558.45

Notes:

There is no revaluation of Intangible Asset during the year ended March 31, 2024 and March 31, 2023.

12D Goodwill

Particulars	As at March 31, 2024	As at March 31, 2023
At cost, beginning of the year	1,807.59	552.26
Additions	-	1,255.33
Total	1,807.59	1,807.59

Note:

Goodwill arises during the year is Nil (Previous year: due to acquisition of NYE Investech Private Limited (Formerly known as Kuants Wealth Private Limited)

12E Right of use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Premises		
At cost, beginning of the year	4,931.64	5,039.92
Additions	237.37	283.40
Deletion	(616.34)	(391.68)
Gross Block	4,552.68	4,931.64
Accumulated amortization :		
At beginning of the year	2,379.66	1,689.54
Amortization	841.01	942.29
Deletion	-	(252.17)
Total amortization	3,220.68	2,379.66
Net carrying amount	1,332.00	2,551.98

Notes:

- i) There is no revaluation in Right of use assets during the year ended March 31, 2024 and March 31, 2023.
- ii) Refer Note No. 40 for detail on Leases.

13 Other non-financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
Prepaid Expenses	674.96	577.46
Capital advances	26.77	7.99
Balance with Statutory authorities	993.74	732.06
Others	12.50	1.50
Subtotal (A)	1,707.98	1,319.01
Advance Paid to Suppliers	944.23	592.50
Less: Provision for doubtful advances	(23.02)	(23.02)
Subtotal (B)	921.21	569.48
Total	2,629.19	1,888.49

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

14 Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
(i) total outstanding dues of micro enterprises and small enterprises	77.12	47.61
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	1,448.93	1,466.58
Other payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	70.77	-
	1,596.82	1,514.19

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The information as required to be disclosed under MSME development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Group. The following table sets forth, for the year indicated, the amount of principal & interest outstanding.

Particulars	As at March 31, 2024	As at March 31, 2023
(i) Principal amount and interest due thereon remaining unpaid to MSME suppliers	77.12	47.69
(ii) The amount of interest paid in terms of sec 16 of MSMED, 2006 along with the amounts of the payment made to the MSME suppliers beyond the appointment day	-	-
(iii) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(iv) The amount of interest accrued and remaining unpaid as on	-	-
(v) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-
Balance of MSME parties at the end of the year	77.12	47.69

No interest has been paid/is payable by the Group during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Group for this purpose. This has been relied upon by the Auditors.

Outstanding as at March 31, 2024

Particulars	Unbilled Dues	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
MSME	-	0.25	76.87	-	-	77.12
Other	682.03	345.28	420.79	0.84	-	1,448.93
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	682.03	345.53	497.66	0.84	-	1,526.05

Outstanding as at March 31, 2023

Particulars	Unbilled Dues	Less than 1 Year	1-2 years	2-3 Years	More than 3 Years	Total
MSME	-	47.61	-	-	-	47.61
Other	606.89	859.69	-	-	-	1,466.58
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
	606.89	907.30	-	-	-	1,514.19

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

15 Debt Securities

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
Secured		
Non convertible debentures (Nil for March 31, 2024 and 750 Debentures @ INR 10 Lakh each for March 31, 2023)	-	7,500.00
Interest accrued but not due on debt securities	-	553.58
Total	-	8,053.58
Debts in India	-	8,053.58
Debts outside India	-	-
Total	-	8,053.58

ISIN No.	Date of Redemption	As at March 31, 2024	As at March 31, 2023
INE345H07021	July 30, 2023	-	2,500.00
INE345H07013	June 24, 2023	-	5,000.00
Total		-	7,500.00

Terms of repayment

Particulars	Interest Range	Tenure
Non convertible debentures - Secured as at March 31, 2024	-	-
Non convertible debentures - Secured as at March 31, 2023	10.00% - 10.05%	Repayable on respective redemption due date.

i) Security details

- Non convertible debentures is secured against pari passu charge on eligible receivables to the extent of 1.25 times of the obligations.

15A Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
At Amortised Cost		
Borrowings (other than debt securities)		
Secured		
(a) Term loans		
(i) from Banks	59,981.75	60,770.70
(ii) from Financial Institutions	11,902.42	10,976.26
(iii) from Other Parties	14,966.34	9,794.71
(b) Vehicle loans from Banks	143.48	49.90
(c) Working Capital Loan	2,411.60	-
(d) Other loans - Bank Overdraft /Cash credit Utilised	-	1,119.80
Unsecured	-	-
Total	89,405.59	82,711.37
Borrowings in India	89,405.59	82,711.37
Borrowings outside India	-	-
Total	89,405.59	82,711.37
Less: Unamortised borrowings costs	1,157.99	1,291.87
Add: Interest accrued but not due on borrowings	107.91	104.20
Net Borrowings	88,355.51	81,523.70

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Additional information:

- i) There are no borrowings measured at Fair value through other comprehensive income and FVTPL.
- ii) **Security details**
- Term loan from banks, financial institutions and others is secured against pari passu charge on standard asset portfolio of book debts & cash collateral and Corporate Guarantee given by Holding Company.
 - Working Capital loan is secured by way of pari passu charge on Forex Cash and Receivables related to Forex segment.
 - Term loan from Financial Institutions is secured against pari passu charge on standard asset portfolio of book debts. In case of subsidiary Capital India Home Loans Limited, Bank Guarantee is given by Parent Company.
 - Vehicle loans is secured by way of hypothecation on vehicles.
 - Bank Overdraft is secured against Fixed Deposits.
 - Cash credit facility is secured against Loan book.

Terms of repayment:

Maturity profile and rate of interest of term loans from Banks & Other Parties :

Residual Maturities	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
Rate of Interest				
9.00% to 10.00%	1,000.00	375.00	-	1,375.00
10.01% to 11.00%	16,837.28	25,329.98	9,512.20	51,679.46
11.01% to 12.00%	7,279.33	9,755.02	484.30	17,518.65
12.01% to 13.00%	3,190.65	538.51	-	3,729.16
More than 13.00%	645.81	-	-	645.81
Total	28,953.07	35,998.51	9,996.50	74,948.09

Residual Maturities	As at March 31, 2023			
	Up to one year (April 2023 to March 2024)	1-3 years (April 2024 to March 2026)	3 years & above (April 2026 onwards)	Total
Rate of Interest				
9.00% to 10.00%	4,846.35	9,370.41	4,750.91	18,967.67
10.01% to 11.00%	12,174.46	18,445.29	5,672.63	36,292.38
11.01% to 12.00%	3,750.19	3,168.04	363.64	7,281.87
12.01% to 13.00%	3,095.65	3,297.68	-	6,393.33
More than 13.00%	935.37	694.79	-	1,630.16
Total	24,802.02	34,976.21	10,787.18	70,565.41

Maturity profile and rate of interest of term loans from Financial Institutions :

Residual Maturities	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
Rate of Interest				
8.00% to 9.00%	796.50	2,124.00	5,381.92	8,302.42
10.01% to 11.00%	2,880.00	720.00	-	3,600.00
Total	3,676.50	2,844.00	5,381.92	11,902.42

Residual Maturities	As at March 31, 2023			
	Up to one year (April 2023 to March 2024)	1-3 years (April 2024 to March 2026)	3 years & above (April 2026 onwards)	Total
Rate of Interest				
8.00% to 9.00%	848.40	1,550.16	2,577.70	4,976.26
9.01% to 10.00%	2,500.00	3,500.00	-	6,000.00
Total	3,348.40	5,050.16	2,577.70	10,976.26

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Maturity profile and rate of interest of Vehicle Loans :

Residual Maturities	As at March 31, 2024			
	Up to one year (April 2024 to March 2025)	1-3 years (April 2025 to March 2027)	3 years & above (April 2027 onwards)	Total
Rate of Interest				
8.00% to 9.00%	35.11	60.60	47.77	143.48
Total	35.11	60.60	47.77	143.48

Residual Maturities	As at March 31, 2023			
	Up to one year (April 2023 to March 2024)	1-3 years (April 2024 to March 2026)	3 years & above (April 2026 onwards)	Total
Rate of Interest				
7.00% to 8.00%	10.34	15.89	-	26.23
8.01% to 9.00%	23.67	-	-	23.67
Total	34.01	15.89	-	49.90

- iii) There are no borrowing guaranteed by directors, promoters, key managerial personnel (KMPs) as at March 31, 2024 (March 31, 2023: Nil).
- iv) Additionally the Group has not defaulted in repayment of principal and interest during the year March 31, 2024 (March 31, 2023: Nil).
- v) **Borrowing obtained on the basis of security of current assets**
- Borrowings from banks or financials institutions are secured by way of pari passu floating charge over the eligible receivables. Further, the companies within group have filed quarterly/ monthly statement of securities cover with security Trustee and banks reconciling with books of accounts as required.
- vi) **End use of borrowings**
- The Companies within group have utilised the borrowed funds for purposes for which it was availed.
- vii) **Other**
- The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period for borrowings.

16 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	17.05	36.53
Advances received from customer	1,050.32	717.67
Direct business outlets (DBO) balances	11,285.25	11,659.95
Salary payable	20.55	-
Capex payable	0.44	3.70
Unclaimed dividend	2.80	2.65
Payable to employees	42.57	75.58
Book overdraft	2,796.79	1,405.74
Other payable	4,659.70	3,627.99
	19,875.47	17,529.81

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

17 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Provision for gratuity (refer note 38)	379.07	227.20
Provision for compensated absence (refer note 38)	227.99	219.25
Provision for performance bonus	764.00	846.54
Impairment loss allowance on Sanctioned but undisbursed & Guarantee	7.50	7.50
	1,378.56	1,300.49

18 Other non financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payable	1,021.56	851.58
Advance received from customer	341.14	214.58
	1,362.70	1,066.16

19 Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
Authorized share capital				
Equity shares of INR 10 each	20,40,00,000	20,400.00	20,40,00,000	20,400.00
Preference shares of INR 10 each	1,00,00,000	1,000.00	1,00,00,000	1,000.00
	21,40,00,000	21,400.00	21,40,00,000	21,400.00
Issued, subscribed and fully paid up				
Equity shares of INR 10 each	7,77,34,260	7,773.43	7,77,34,260	7,773.43
Total issued, subscribed and fully paid up share capital	7,77,34,260	7,773.43	7,77,34,260	7,773.43

a. Reconciliation of the shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Amount	Number	Amount
At the beginning of the year	7,77,34,260	7,773.43	7,77,34,260	7,773.43
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the year	7,77,34,260	7,773.43	7,77,34,260	7,773.43

b. Terms and rights attached to fully paid up equity shares:

The Holding Company has only one type of equity shares having par value of INR 10 each. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share. The dividend proposed, if any, by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the holding company after distribution of all preferential amounts, in proportion to their holdings.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

c. Shares in the Holding Company held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	%	Number	%
Equity shares of INR 10 each				
Capital India Corp Private Ltd (Formerly known as Capital India Corp LLP)	5,67,75,720	73.04%	5,67,75,720	73.04%
Dharampal Satyapal Limited	87,00,602	11.19%	61,97,800	7.97%
DS Chewing Products LLP	17,56,800	2.26%	43,16,800	5.55%
	6,72,33,122	86.49%	6,72,90,320	86.56%

d. Shares held by promoters at the end of year

As at March 31, 2024			
Shares held by promoters at the end of year			
Promoter name	No. of shares	%	% change during the year
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	5,67,75,720	73.04%	Nil

As at March 31, 2023			
Shares held by promoters at the end of year			
Promoter name	No. of shares	%	% change during the year
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	5,67,75,720	73.04%	Nil

e. The Holding Company has not reserved any shares for issues under options & Contracts / Commitments for the sale

f. The Holding Company has not issued bonus shares or shares for consideration other than cash.
The Holding Company has not bought back any of its securities.

g. The Company has not:

- (i) Issued any securities convertible into equity / preference shares
- (ii) Issued any shares where calls are unpaid
- (iii) Forfeited any shares

20 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory Reserve under Section 45-IC of the RBI Act, 1934 and under Section 29-C of NHBA Act, 1987	2,334.96	1,908.16
Securities premium	51,069.02	51,069.02
Employee stock option outstanding account	3,671.27	3,215.99
General reserve	1.76	1.76
Retained earnings	(2,664.26)	(3,535.03)
Other comprehensive income	76.28	122.42
	54,489.03	52,782.32

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Notes:

i) Statutory Reserve under Section 45-IC of the RBI Act, 1934 and under section 29-C of NHBA Act, 1987:

The Group created a reserve pursuant to section 45 IC the Reserve Bank of India Act, 1934 and section 29 C of NHBA Act, 1987 by transferring amount not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared.

ii) Securities premium:

The amount received in excess of face value of the equity shares is recognised in Securities Premium Account. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium account. The account is utilised in accordance with the provisions of the Companies Act 2013.

iii) Employee stock option outstanding account:

The reserve is used to recognise the fair value of the options issued to employees of the Group.

iv) General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act 2013, requirements is not mandatory transfer a specified percentage of the net profit to general reserve.

However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

v) Retained earnings:

Retained earnings represents surplus/accumulated earnings of the Group and are available for distribution to shareholders.

vi) Other Comprehensive Income - Remeasurement of Post Employment Benefit Obligations

The Group Recognises change on account of remeasurement of the net defined benefit liability (asset) as part of other comprehensive income.

21 Interest income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on loans	19,715.20	16,395.60
Interest income on vendor financing	12.24	73.93
Interest on deposits with banks	895.83	576.71
Other interest income	640.11	513.04
	21,263.38	17,559.28

22 Net gain on fair value changes

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net gain/ (loss) on financial instruments at fair value through profit and loss account :-		
Mutual fund units	403.50	244.14
Total Net gain/(loss) on fair value changes	403.50	244.14
Fair Value changes*		
Realised	403.50	235.46
Unrealised	-	8.68

*Fair value changes in this schedule are other than those arising on account of interest income/expense

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

23 Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Miscellaneous income	130.92	44.57
Liabilities written back	259.59	-
Profit & loss on sale of fixed asset	19.89	-
Gain on termination of lease	58.09	36.91
Interest on income tax refund	57.14	41.34
Other business support Income	5.54	77.47
Other foreign exchange service Income	7.28	25.46
Interest income on lease deposit	6.70	6.29
Reversal of leave encashment expense	5.19	-
Profit on sale of equity shares	0.11	-
Interest on inter corporate loans	238.69	309.67
	789.14	541.71

24 Finance cost

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest on borrowings	9,701.46	6,648.05
Interest on Debt Securities	208.96	851.39
Interest on lease liability	174.49	288.61
Other finance costs	120.28	275.50
	10,205.19	8,063.55

25 Impairment losses on financial instruments

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On Loans	301.60	119.37
(On Financial instruments measured at Amortised Cost)		
	301.60	119.37

26 Cost of materials consumed

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening stock	59.53	105.16
Add: Purchases	175.16	265.17
	234.69	370.33
Less: closing stock	112.59	59.53
	122.10	310.80

27 Employee benefits expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages including bonus	13,517.46	12,535.88
Contribution to provident and other funds	733.50	582.90
Share based payments to employees	1,119.58	4,989.88
Staff welfare expenses	353.45	305.36
	15,723.99	18,414.02

Refer Note No 37 for Related Party Transactions and Note No. 38 for Employee benefit expenses and Note No. 39 for Share based payment to employees.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

28 Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Rent	499.61	410.13
Rate, fee & taxes	111.39	95.69
Repairs & maintenance	399.16	285.24
Office expenses	386.67	328.99
Electricity charges	118.68	108.34
Communication expenses/ Postage	164.72	164.73
Printing & stationery	70.50	77.27
Insurance	212.60	212.45
Membership & subscription	49.54	36.79
Travelling & conveyance	1,030.26	997.89
Advertisement, marketing & business promotion exp	183.05	887.85
Commission & brokerage expenses	210.66	109.09
Auditor's remuneration (Refer 28A)	26.32	26.25
Legal & professional charges	1,663.03	2,347.18
Listing fee	5.18	4.07
Directors sitting fees	82.37	64.68
Expense for financial guarantee obligation	939.49	114.20
CSR expense	40.00	58.00
Bank charges	309.43	361.73
Facilitation fees	58.37	148.19
Server usage charges	562.67	422.86
SMS usage charges	108.63	55.00
Loss on sale of property plant & equipments	-	25.60
Expected credit loss for financial guarantee obligation	372.66	-
Loss on account of bad debts	-	12.06
Expected credit loss on trade receivable	8.31	7.77
Fees and subscription	128.73	138.16
Transaction loss	470.03	228.96
Provision for doubtful advances	44.40	-
Credit verification charges	118.96	20.27
Loss on foreclosure and write-off of loan	20.64	15.42
Miscellaneous expenses	36.96	47.46
	8,433.02	7,812.32

Refer Note No 37 for Related Party Transactions.

28A Auditor's Remuneration

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Statutory audit	20.71	20.71
b) Taxation matters (Tax audit fees)	1.65	1.64
c) Certification fees & Other services	3.96	3.90
	26.32	26.25

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

29 Basic and Diluted Earnings per share [EPS] computed in accordance with Indian Accounting Standard (Ind AS) 33 "Earnings per Share"

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Basic			
Profit after tax (INR In Lakhs)	A	1,164.78	(4,157.12)
Weighted average number of equity shares outstanding	B	7,77,34,260	7,77,34,260
Basic earning per share (INR)	A/B	1.50	(5.35)
Diluted			
Profit after tax (INR In Lakhs)	A	1,164.78	(4,157.12)
Weighted average number of equity shares outstanding	B	7,77,34,260	7,77,34,260
Add: Weighted average number of potential equity shares on account of employee stock options	C	8,61,753	4,46,459
Weighted average number of shares outstanding for diluted EPS	D=B+C	7,85,96,013	7,81,80,719
Diluted earning per share (before and after extraordinary items) (INR)	A/D	1.48	(5.32)
Face value of shares (INR)		10.00	10.00

30 Transaction in foreign currency

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Earnings in foreign currency		
Export of foreign currencies	-	866.05
Commission received (Forex)	33.52	11.77
Commission received (Western Union)	89.00	21.70
Expenditure in foreign currency		
Advising fees	-	4.50
Subscription charges	4.02	-

Forward Cover Outstanding

The Group uses forward exchange contract to hedge against its foreign currency exposures related to underlying transaction and firm commitments.

The Group does not enter into any derivatives instruments for trading or speculative purpose.

The forward exchange contracts outstandings as at March 31, 2024 are as under currency exchange USD/INR

- Number of Sale Contracts: 2 (March 31, 2023 : NIL)
- Aggregate Amount: INR 383.77 Lakhs (March 31, 2023: NIL)

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

31 Disclosure pursuant to Ind AS 108 “Operating Segment”

Sr. No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Segment Revenue		
	Lending business	23,107.98	18,506.89
	Prepaid payment instrument business	41,249.43	43,940.10
	Forex business	4,443.12	3,246.63
	Total Segment Revenue	68,800.53	65,693.62
2	Segment Results (Profit before Tax)		
	Lending business	1,985.59	1,509.92
	Prepaid payment instrument business	(3,739.73)	(9,326.25)
	Forex business	909.30	486.99
	Others	974.13	(1,213.45)
	Total Segment Results	129.29	(8,542.79)

Sr. No	Particulars	As at March 31, 2024	As at March 31, 2023
3	Segment Assets		
	Lending business	1,46,615.32	1,43,627.98
	Prepaid payment instrument business	22,864.42	26,401.63
	Forex business	6,200.63	4,695.10
	Unallocated	3,423.35	4,073.36
	Others	986.43	686.37
	Total Segment Assets	1,80,090.15	1,79,484.45
4	Segment Liabilities		
	Lending business	91,962.12	94,257.95
	Prepaid payment instrument business	17,989.36	18,206.95
	Forex business	4,142.75	1,332.13
	Others	45.90	58.33
	Total Segment Liabilities	1,14,140.13	1,13,855.36

a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Board of Directors (‘BOD’) of the Group has identified CODM as defined by Ind-AS 108 Operating Segments, who assesses the financial performance and position of the Group and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Group is organised primarily into three operating segments, i.e. Lending business, Forex services and Prepaid payment Instruments. Lending business includes providing finance to Small medium enterprises, retail customers and real estate for a variety of purposes like purchase of commercial equipment, personal purposes, enterprise loans, etc. Revenue from lending business includes (i) interest income and (ii) fees income. Forex services comprises of overseas remittances, foreign currency prepaid travel card, Money transfer service scheme (MTSS), import and export foreign currency notes. Prepaid Payment instruments is digital payment solution wallet which allows users to send and receive money through a smart devices.

Secondary Segment (Geographical Segment)

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

Notes to Consolidated Ind AS Financial Statements

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(Currency: INR In Lakhs)

c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as ‘Unallocated’.

d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments.

Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as ‘Unallocated’.

e) Accounting Policies

The accounting policies consistently used in the preparation of the consolidated financial statements are also applied to items of revenue and expenditure in individual segments.

f) Disclosure for other material non cash item

There are no other material non cash items which have not been disclosed in the above disclosure

- g) In case of subsidiary Rapipay Fintech Private Limited, there are 5 (March 31, 2023: 2) major external customers with whom the company has earned revenue of more than 10% during the year amounting to INR 24,323.75 Lakhs (March 31, 2023: INR 20,806.25 Lakhs).

32 Dividend distribution to equity shareholders of the holding Company

The Board of Directors at its meeting held on May 22, 2024 have recommended dividend of INR 0.10 per equity share (March 31, 2023: INR 0.10 per share) amounting to INR 77.73 Lakhs (March 31, 2023: INR 77.73 Lakhs) on ordinary equity shares. The recommended dividend will be accounted for when approved by the shareholders in Annual General Meeting.

33 Disclosure pertaining to corporate social responsibility expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Average net profit of the holding company	2,138.09	2,848.43
Two percent of average net profit of the holding company	42.76	56.97
Amount required to be set-off for the financial year, if any	8.42	7.39
Total CSR obligation for the financial year	34.34	49.58
Amount spent on CSR Projects	40.00	58.00
Excess amount spent for the Financial Year	5.66	8.42

Nature of CSR activities

The holding company is required to contribute to corporate social responsibility activities as per CSR Rules under the Companies Act, 2013. During the year the Company has spent INR 40 Lakhs under CSR activity. The amount is spent towards Rural Development, Livelihood, Health, Education and Environment.

34 Contingent Liabilities and Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent liabilities		
Claims against the Group not acknowledged as debt	-	-
- Others - guarantee on behalf of subsidiary i.e. CIHL	28,373.58	22,484.57
Total (a)	28,373.58	22,484.57
Commitments		
Estimated amount of contracts(net of advances) remaining to be executed on capital account and not provided for	3.63	3.91
Undrawn committed sanctions to borrowers	2,285.24	2,789.52
Total (b)	2,288.87	2,793.43
Total (c=a+b)	30,662.45	25,278.00

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

35 The following subsidiary companies have been considered in the preparation of the consolidated financial statements (as per Ind AS 27 “Separate Financial Statement”)

Name of the entity	Relationship	Country of incorporation	Ownership held by	Percentage (%) of ownership Interest	
				As at March 31, 2024	As at March 31, 2023
Capital India Home Loans Limited	Subsidiary	India	Capital India Finance Limited	99.90%	99.89%
Capital India Assets Management Private Limited	Subsidiary	India	Capital India Finance Limited	100.00%	100.00%
Rapipay Fintech Private Limited	Subsidiary	India	Capital India Finance Limited	52.50%	52.50%
NYE Investech Private Limited* (Formerly known as Kuants Wealth Private Limited)	Step Down Subsidiary	India	Rapipay Fintech Private Limited	100.00%	100.00%
NYE Insurance Broking Private Limited*	Step Down Subsidiary	India	Rapipay Fintech Private Limited	100.00%	100.00%

Note:

* NYE Investech Private Limited (Formerly known as Kuants Wealth Private Limited) and NYE Insurance Broking Private Limited are wholly owned subsidiary of Rapipay Fintech Private Limited.

36 Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2024 & March 31, 2023

Details of entities considered in the consolidated financial statements for the year ended March 31, 2024.

Name of the entity in the Group	Net Assets (Total assets minus total liabilities)		Share in profit or loss (PAT)		Share in other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	% of consolidated net assets	Amount (INR in lakhs)	% of consolidated PAT	Amount (INR in lakhs)	% of consolidated OCI	Amount (INR in lakhs)	% of consolidated TCI	Amount (INR in lakhs)
Capital India Finance Limited - Parent	97.42%	60,654.18	(312.42%)	2,010.27	80.66%	(40.99)	(283.65%)	1,969.28
Subsidiaries - Indian								
Capital India Home Loans Limited	23.33%	14,526.37	(19.23%)	123.73	(0.03%)	0.02	(17.82%)	123.74
Capital India Assets Management Private Limited	0.00%	2.14	0.10%	(0.66)	0.00%	-	0.09%	(0.65)
NYE Insurance Broking Private Limited	0.12%	75.12	(0.37%)	2.35	0.00%	-	(0.34%)	2.35
NYE Investech Private Limited (Formerly known as Kuants Wealth Private Limited)	1.39%	863.27	9.07%	(58.36)	(8.15%)	4.14	7.81%	(54.22)
Rapipay Fintech Private Limited	12.85%	8,000.05	582.93%	(3,750.78)	27.52%	(13.99)	542.27%	(3,764.77)
Non-controlling Interests in subsidiaries	(5.92%)	(3,687.56)	0.00%	-	0.00%	-	0.00%	-
CFS adjustment and elimination	(29.17%)	(18,171.11)	(160.08%)	1,030.00	0.00%	-	(148.36%)	1,030.00
Total	100.00%	62,262.46	100.00%	(643.45)	100.00%	(50.82)	100.00%	(694.27)

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Details of entities considered in the consolidated financial statements for the year ended March 31, 2023.

Name of the entity in the Group	Net Assets (Total assets minus total liabilities)		Share in profit or loss (PAT)		Share in other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	% of consolidated net assets	Amount (INR in lakhs)	% of consolidated PAT	Amount (INR in lakhs)	% of consolidated OCI	Amount (INR in lakhs)	% of consolidated TCI	Amount (INR in lakhs)
Capital India Finance Limited -Parent	96.67%	58,542.26	(17.29%)	1,505.03	46.72%	13.82	(17.50%)	1,518.85
Subsidiaries - Indian								
Capital India Home Loans Limited	22.18%	13,429.30	(3.76%)	327.65	96.15%	28.44	(4.10%)	356.09
Capital India Assets Management Private Limited	0.00%	2.78	0.01%	(0.65)	0.00%	-	0.01%	(0.65)
Rapipay Fintech Private Limited	18.16%	10,998.06	107.11%	(9,326.26)	(42.87%)	(12.68)	107.62%	(9,338.94)
NYE Insurance Broking Private Limited	0.12%	72.77	0.03%	(2.23)	0.00%	-	0.03%	(2.23)
NYE Investech Private Limited (Formerly known as Kuants Wealth Private Limited)	0.91%	552.72	2.87%	(250.18)	0.00%	-	2.88%	(250.18)
Non-controlling Interests in subsidiaries	(8.38%)	(5,073.34)	0.00%	-	0.00%	-	0.00%	-
CFS adjustment and elimination	(29.66%)	(17,968.80)	11.03%	(960.36)	0.00%	-	11.07%	(960.36)
Total	100.00%	60,555.75	100.00%	(8,707.00)	100.00%	29.58	100.00%	(8,677.42)

37 Disclosure of Related party transactions pursuant to (Ind AS – 24)and Companies act 2013 “Related Party Disclosures”

(i) Names of related parties (with whom transactions were carried out during the year):

Name of the related party	Nature of relationship
Capital India Corp Private Limited (Formally known as Capital India Corp LLP)	Ultimate Holding Company
Credenc Web Technologies Private Limited	Associate through Subsidiary (upto May 16, 2023) Fellow Subsidiary (from May 16, 2023)
Treis Solutions LLP	Entity under control of a person having joint control over the company
Trident Hills Private Limited	Entity under control of a person having joint control over the company
Atulya Foundation	Enterprise over which control is exercised by the Company
Dr. Harsh Kumar Bhanwala	Chairman (upto Jan 24, 2024)
Mr. Keshav Porwal	Managing Director
Mr. Vineet Kumar Saxena	Chief Executive Officer (upto Aug 08, 2023)
Mr. Pinank Jayant Shah	Chief Executive Officer (from Aug 09, 2023)
Mr. Neeraj Toshniwal	Chief Financial Officer (upto Aug 19, 2022)
Mr. Vikas Srivastava	Chief Financial Officer (from Oct 21, 2022)
Mr. Rachit Malhotra	Chief Compliance Officer & Company Secretary
Mr. Deepak Vaswan	Relative of a person having joint control over the Company
Mr. Yogendra Pal Singh	Independent Director
Mr. Vinod Somani	Independent Director (upto Jan 25, 2024) Non-Executive Chairman (Independent) (from Jan 25, 2024)

Notes to Consolidated Ind AS Financial Statements

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(Currency: INR In Lakhs)

Mrs. Rachna Dikshit	Independent Director (upto Aug 08, 2023)
Mrs. Rashmi Fauzdar	Independent Director (from Aug 24, 2023)
Ms. Jyuthika Mahendra Jivani	Independent Director (from Mar 20, 2024)
Mr. Subhash Chander Kalia	Independent Director

Note: Related party and their relationships are reported only where the Group has transactions with those parties during the current year / previous year.

(ii) Details of transaction with related parties are as under:

Name of Related Parties	Transaction with Related Parties	For the year ended March 31, 2024	For the year ended March 31, 2023
Capital India Corp Private Ltd. (Formally known as Capital India Corp LLP)	Reimbursement of expenses	100.00	100.50
	Sale of Investment	47.00	-
	Dividend	56.78	56.78
	Purchase of Shares	-	1,406.53
Credenc Web Technologies Private Limited	Commission expenses	60.78	271.39
	Inter corporate deposit given	2,200.00	-
	Refund of Inter corporate deposit given	2,200.00	-
	Loan given	-	700.00
	Repayment of Loan	700.00	-
	Interest Income received	287.02	190.13
	Rent expenses	-	13.84
	Reimbursement received	45.35	13.64
	Ticket & Hotel Booking	13.39	-
	Facilitation fees	1.49	15.05
Atulya Foundation	CSR Expenses	40.00	58.00
Mr. Deepak Vaswan	Remuneration Paid	46.67	-
	Consultancy fees	24.83	149.00
	Sale of Foreign Currencies	0.29	0.88
Dr. Harsh Kumar Bhanwala	Remuneration Paid	185.49	217.89
	Sale of Foreign Currencies & Travel Services	4.80	14.33
Mr. Keshav Porwal	Remuneration Paid	250.96	200.92
	Sale of Foreign Currencies & Travel Services	1.09	-
Mr. Vineet Kumar Saxena	Remuneration Paid	299.52	321.00
	Sale of Foreign Currencies	0.49	2.05
Mr. Pinank Jayant Shah	Remuneration Paid	200.93	-
Mr. Vikas Srivastava	Remuneration Paid	117.80	44.26
Mr. Neeraj Toshniwal	Remuneration Paid	-	95.00
Mr. Rachit Malhotra	Remuneration Paid	81.02	80.70
	Sale of Foreign Currencies	0.61	-
Mr. Yogendra Pal Singh	Sitting Fees Paid	11.60	13.80
Mr. Vinod Somani	Sitting Fees Paid	12.65	13.65
Mrs. Rashmi Fauzdar	Sitting Fees Paid	6.15	-
Mrs. Rachna Dikshit	Sitting Fees Paid	5.50	10.25
Mr. Subhash Chander Kalia	Sitting Fees Paid	10.20	8.50
Treis Solutions LLP	Interest Income	-	60.45
	Sale of fixed asset	-	3.14
Trident Hills Private Limited	Sale of fixed asset	-	23.75

Note:

- Remuneration paid excludes amounts pertaining to gratuity and compensated absences, which are actuarially valued at the Company level.
- Transaction with KMP's include transaction with their relatives.
- All related party transactions entered during the year were in the ordinary course of business and on arm's length price.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(iii) Balance as at

Name of Related Parties	Closing Balances	As at March 31, 2024	As at March 31, 2023
Credenc Web Technologies Private Limited	Trade Receivables / (Trade Payables)	0.98	(8.36)
	Loan	-	700.00
	Accrued Interest	-	5.06
	Investment	954.15	999.59

38 Employee benefits

(A) Defined Contribution Plan - Provident Fund (PF) Contribution

The Group makes contribution towards PF, in respect of qualifying employees. The amount recognised as an expense and included in Note 27 "Employee Benefits" under the head "Contribution to Provident and Other Funds" are as under.

The employees of the Group are members of a retirement contribution plan operated by the government. The Group is required to contribute a specified percentage of payroll cost to the retirement contribution scheme to fund the benefits. The only obligation of the Group with respect to the plan is to make the specified contributions.

Particulars	FY 2023-24	FY 2022-23
Employer's Contribution to Provident Fund	583.52	511.88
Employer's contribution to Employee State Insurance	0.58	0.78
Labour welfare fund	0.06	-

(B) Defined Benefit Plan - Gratuity

The Group has a defined benefit gratuity plan, under which every employee who has completed atleast five years of service gets a gratuity on departure @15 days of last drawn basic salary for each completed year of service.

The plan is of a final salary defined benefit in nature which is sponsored by the Group and hence it underwrites all the risks pertaining to the plan. The actuarial risks associated are:

Interest Rate Risk:

The risk of government security yields falling due to which the corresponding discount rate used for valuing liabilities falls. Such a fall in discount rate will result in a larger value placed on the future benefit cash flows whilst computing the liability and thereby requiring higher accounting provisioning.

Longevity Risks:

Longevity risks arises when the quantum of benefits payable under the plan is based on how long the employee lives post cessation of service with the Group. The gratuity plan provides the benefit in a lump sum form and since the benefit is not payable as an annuity for the rest of the lives of the employees, there is no longevity risks.

Mortality & disability :

Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Salary Risks:

The gratuity benefits under the plan are related to the employee's last drawn salary. Consequently, any unusual rise in future salary of the employee raises the quantum of benefit payable by the Group, which results in a higher liability for the Group and is therefore a plan risk for the Group.

The estimates of the future salary increases, considered in actuarial valuation, include inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market. The discount rate is based on the prevailing market yield on government securities as at the balance sheet date for the estimated average remaining service.

Withdrawals :

Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

The disclosure as required by Indian Accounting Standard (Ind AS) -19 "Employee Benefits" is as under.

Particulars	As at March 31, 2024	As at March 31, 2023
I. Assumption		
Mortality rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Interest / Discount Rate	6.90% to 7.25%	6.79% to 7.50%
Rate of increase in compensation	5.00% to 8.40%	5.00% to 8.26%
II. Reconciliation of net defined benefit (asset)/liability		
(a) Reconciliation of present value of defined benefit obligation		
Opening Defined Benefit Obligation	227.20	142.98
Interest Cost	16.36	8.26
Current Service Cost	113.69	118.38
Impact of liability assumed or (settled)	-	1.38
Actuarial (Gains) / Losses	64.60	(43.80)
Benefits Paid	(42.79)	-
Closing Defined Benefit Obligation	379.07	227.20

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for the year ended March 31, 2024

(Currency: INR In Lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
(b) Reconciliation of net defined benefit (asset)/liability		
Present value of obligation as at the end of year	379.07	227.20
Fair value of plan assets as at the end of year	-	-
Recognised in Balance Sheet - (Asset) / Liability	379.07	227.20
III. Actuarial (Gain)/Loss on Obligation		
Due to Demographic Assumption	1.03	(14.57)
Due to Financial Assumption	(6.53)	(17.74)
Due to Experience	70.10	(11.49)
Net Actuarial (Gain)/ Loss on Obligation	64.60	(43.80)
IV. Actual Return on Plan Assets		
Actual Interest Income	-	-
Expected Interest Income	-	-
Return on Plan Assets excluding Interest Income	-	-
V. Net Interest		
Interest Expense	16.36	8.26
Interest Income	-	-
Net Interest Exp/(Income)	16.36	8.26
VI. Expenses Recognised in Profit and Loss account under		
Employee benefit expenses		
Current Service Cost	113.69	118.38
Net Interest Exp/(Income)	16.36	8.26
Past Service Cost (vested benefits)	-	-
Expenses recognised in Profit and Loss Account	130.05	126.64
VII. Remeasurements recognised in Other Comprehensive Income		
Net Actuarial (Gain)/ Loss on Obligation	64.60	(43.80)
Return on Plan Assets excluding Interest Income	-	-
Total Actuarial (Gain)/ Loss recognised in OCI	64.60	(43.80)
VIII. Others		
Weighted average duration of defined benefit Obligation	1 to 27 years	1 to 27 years

Sensitivity analysis :

Sensitivity analysis for significant actuarial assumptions, showing how the defined benefit obligation would be affected, considering increase/decrease of 100 basis points

Particulars	As at March 31, 2024	As at March 31, 2023
Change in rate of Discount Rate + 100 basis points	230.19	218.85
Change in rate of Discount Rate- 100 basis points	249.55	236.22
Change in rate of Salary Escalation Rate + 100 basis points	249.32	236.07
Change in rate of Salary Escalation Rate - 100 basis points	230.22	218.84

The Expected Payout

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	56.49	15.19
Year 2	40.81	21.31
Year 3	44.30	22.40
Year 4	44.54	24.55
Year 5	47.18	26.63
Year 6 and above	212.63	153.91

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for the year ended March 31, 2024

(Currency: INR In Lakhs)

Notes:

- 1 Since the gratuity plan and Leave encashment plan of the Company is not funded, and hence the disclosure related to plan assets are not applicable.

2 Details compensated absences

The change towards compensated absences based on actuarial valuations using the projected unit credit method is as follows:

Particulars	March 31, 2024	March 31, 2023
Amount Recognised as compensated absences in statement of profit and loss	8.74	95.08
Provision for compensated absences	227.99	219.25

- 3 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

39 Employee Stock Option Plan

A. CIFL EMPLOYEE STOCK OPTION PLAN 2018 - Capital India Finance Limited

The shareholders of the holding Company passed a resolution through postal ballot/ e-voting on September 23, 2018 for approval of the issue of 35,00,000 options under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2018" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme "CIFL EMPLOYEE STOCK OPTION PLAN 2018", the Nomination and Remuneration Committee of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board which shall not be less than the face value of the Shares of the holding Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2024

- a) **Weighted average exercise price per options for the period ended March 31, 2024 and March 31, 2023 at INR 72/-**

Particulars	Options (Numbers)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Option outstanding at the beginning of the year	11,09,500.00	15,29,500.00
Granted during the year	-	2,00,000.00
Vested during the year	1,36,375.00	2,29,250.00
Exercised during the year	-	-
Lapsed during the year	1,07,000.00	6,20,000.00
Options outstanding at the end of the year	10,02,500.00	11,09,500.00

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

- b) **Weighted average exercise price per options for the period ended March 31, 2024 and March 31, 2023 at INR 90/-**

Particulars	Options (Numbers)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Option outstanding at the beginning of the year	80,000.00	25,000.00
Granted during the year	-	87,000.00
Vested during the year	20,000.00	6,250.00
Exercised during the year	-	-
Lapsed during the year	-	32,000.00
Options outstanding at the end of the year	80,000.00	80,000.00

- c) **Weighted average exercise price per options for the period ended March 31, 2024 at INR 92/-**

Particulars	Options (Numbers)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Option outstanding at the beginning of the year	-	-
Granted during the year	16,54,700.00	-
Vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	16,54,700.00	-

B. CIFL Employee Stock option Plan 2023 (ESOP Scheme)

The shareholders of the holding Company passed a resolution through postal ballot/ e-voting on 09th December 2023 for approval of the issue of 40,00,000 options under the Scheme titled "CIFL EMPLOYEE STOCK OPTION PLAN 2023" (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme "CIFL EMPLOYEE STOCK OPTION PLAN 2023", the Nomination and Remuneration Committee of the Board of Directors grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board which shall not be less than the face value of the Shares of the holding Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 4 (Four) years from the date of Grant. The Board at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which shall not be more than 5 (Five) years from the date of Vesting of Options.

Weighted average exercise price per options for the period ended March 31, 2024 at INR 92/-

Particulars	Options (Numbers)	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Option outstanding at the beginning of the year	-	-
Granted during the year	23,32,100.00	-
Vested during the year	-	-
Exercised during the year	-	-
Lapsed during the year	-	-
Options outstanding at the end of the year	23,32,100.00	-

Weighted average remaining contractual life for options outstanding as at March 31, 2024 is 2 year 6 months (Previous year 2 years and 3 month).

Options available for Grant as at March 31, 2024 is 24,30,700 and as at March 31, 2023 is 23,10,500.

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(Currency: INR In Lakhs)

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As at March 31, 2024	As at March 31, 2023
Risk-free interest rate	6.83% - 6.93%	6.55% - 6.97%
Expected life of the option	1 year to 5 years	1 year to 4 years
Expected annual volatility of shares	12.01% to 24.88%	17.30% to 27.12%
Expected dividend yield	0.13%	0.13%

During the year ended March 31, 2024, the holding company recorded an employee stock compensation expense of INR 220.37 Lakhs (March 31, 2023 expense of INR 16.81 Lakhs) in the Statement of Profit and Loss.

B. CIHL EMPLOYEE STOCK OPTION PLAN 2018 - Capital India Home Loans Private Limited

In the extraordinary general meeting held on August 08, 2018, the shareholders approved the issue of 12,500,000 options under the Scheme titled “CIHL EMPLOYEE STOCK OPTION PLAN 2018” (ESOP SCHEME).

The ESOP Scheme allows the issue of options to employees of the Company and its Holding Company (whether in India or abroad). Each option comprises one underlying equity share.

As per the ESOP Scheme, the Board / Nomination & Remuneration Committee (“NRC”) grants the options to the employees deemed eligible. The Exercise Price for the Options shall be determined by the Board / NRC which shall not be less than the face value of the Shares of the Company as on date of Grant. The options granted vest not earlier than minimum period of 1 (One) year and not later than maximum period of 5 (Five) years from the date of Grant. The Board / NRC at its discretion may grant Options specifying Vesting Period ranging from minimum and maximum period as afore-stated. The Exercise Period in respect of Vested Options shall be period as specified in the Grant Letter, which period shall not be more than 5 (Five) years from the date of Vesting of Options.

Method used for accounting for shared based payment plan.

The Company uses fair value to account for the compensation cost of stock options to employees of the Company.

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2024

Particulars	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year	61,65,000	10
Granted during the year	1,50,000	10
Vested during the year (including option lapsed)	5,07,500	10
Exercised during the year	-	10
Lapsed during the year	38,15,000	10
Options outstanding at the end of the year	25,00,000	10
Options available for grant	1,00,00,000	10

Weighted average remaining contractual life for options outstanding as at March 31, 2024 is 11.94 months.

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for the year ended March 31, 2024

(Currency: INR In Lakhs)

Movement in the options outstanding under the Employees Stock Option Plan for the year ended March 31, 2023

Particulars	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year	58,65,000	10
Granted during the year	8,75,000	10
Vested during the year (including option lapsed)	8,20,000	10
Exercised during the year	-	10
Lapsed during the year	5,75,000	10
Options outstanding at the end of the year	61,65,000	10
Options available for grant	61,75,000	10

Weighted average remaining contractual life for options outstanding as at March 31, 2023 is 18.53 months.

The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	As at March 31, 2024	As at March 31, 2023
Risk-free interest rate	7.00%	6.6% to 7.2%
Expected life of the option	1 year 1 month	1 year to 4 years
Expected annual volatility of shares	46%	13% to 16.7%
Fair value of the share at the time of option grant (INR)	12.51	8.96
Expected dividend yield	Nil	Nil

During the year ended March 31, 2024, the subsidiary company recorded a decrease in employee stock compensation of INR 26.67 lakhs (recorded in March 31, 2023 INR 10.99 lakhs) in the Statement of Profit and Loss.

C. RAPIPAY EMPLOYEE STOCK OPTION PLAN 2020 - Rapipay Fintech Private Limited

The subsidiary company has in place an employee stock option scheme (ESOP scheme) under the name Rapipay Employee Stock Option Plan 2020 duly approved by the shareholders of the Company. Under the scheme, eligible employee(s) are granted an option to purchase the shares of the Company, in accordance with the terms and conditions of the scheme. The Company recognises this scheme as an equity settled share based payments arrangement in accordance with IND AS 102 - Share Based Payment. Options granted under ESOP scheme on or before March 31, 2022 vests on expiry of 12 months, 24 months, 36 months, 48 months from the date of grant whereas Options granted after March 31, 2022 vests on expiry of 12 months, 24 months, 36 months from the date of grant. The options are exercisable after a minimum period of 1 year from the date of grant subject to vesting. Such ESOP expense in respect of employees of the Company is charged over the vesting period. The charge is based on fair value of options calculated using Black-Scholes Option Pricing Model. The fair value charge is recognised as share based payment expenses under Employee Benefit Expenses.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(i) Employee stock option schemes:

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Date of grant	May 2, 2023	May 01, 2022
		July 04, 2022
		August 01, 2022
		August 05, 2022
		September 20, 2022
		October 01, 2022
		January 16, 2023
		February 13, 2023
		March 03, 2023
Vesting requirements	Stock options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting.	Stock options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on relevant date of vesting.
Vesting conditions	- 33.33% on expiry of 12 months from the date of grant	- 33.33% on expiry of 12 months from the date of grant
	- 33.33% on expiry of 24 months from the date of grant	- 33.33% on expiry of 24 months from the date of grant
	- 33.34% on expiry of 36 months from the date of grant	- 33.34% on expiry of 36 months from the date of grant
Method of settlement	Equity	Equity

The fair value of options, based on the valuation of the independent valuer as on the date of grant are:

Grant date	March 31, 2024			March 31, 2023		
	No. of years vesting	Fair value per share	Exercise Price	No. of years vesting	Fair value per share	Exercise Price
November 12, 2020 to 10 February 2021	-	-	-	4 years	148	100
May 12, 2021 to October 28, 2021	-	-	-	4 years	159	100
January 8, 2022 to March, 04 2022	-	-	-	4 years	496	100
04 March 2022	-	-	-	1 year	496	100
May 01, 2022 to September 20, 2022	-	-	-	3 years	496	300
October 01, 2022 to March 03, 2023	-	-	-	3 years	506	300
May 02, 2022	3 years	508	300	-	-	-

(ii) Details of grant and outstanding options during the period:-

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Number of options granted	3,000	11,54,170
Outstanding number of options	3,000	10,32,812

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for the year ended March 31, 2024

(Currency: INR In Lakhs)

(iii) The weighted average exercise price and remaining contractual life of the ESOP Scheme are as follows:

Grant Dates	Exercise Price (INR)	For the year ended March 31, 2024		For the year ended March 31, 2023	
		No. of Options outstanding	Weighted average remaining contractual life (in years)	No. of Options outstanding	Weighted average remaining contractual life (in years)
November 12, 2020	100	6,00,002	0.62	6,18,184	1.62
May 12, 2021	100	54,545	1.12	54,545	2.12
August 09, 2021	100	25,000	1.36	25,000	2.36
August 20, 2021	100	5,00,000	1.39	5,00,000	2.39
October 12, 2021	100	55,000	1.53	91,363	2.53
October 28, 2021	100	50,000	1.58	50,000	2.58
January 08, 2022	100	15,000	1.78	55,000	2.78
March 04, 2022	100	-	1.93	20,000	2.93
March 04, 2022	100	10,00,000	-	10,00,000	-
May 01, 2022	300	28,000	1.08	1,28,000	2.08
July 04, 2022	300	-	1.26	8,300	2.26
August 01, 2022	300	1,54,000	1.34	1,68,600	2.34
August 05, 2022	300	4,000	1.35	4,000	2.35
September 20, 2022	300	10,000	1.47	10,000	2.47
October 01, 2022	300	5,67,956	1.50	6,92,912	2.50
January 16, 2023	300	11,000	1.80	11,000	2.80
February 13, 2023	300	10,000	1.87	10,000	2.87
May 03, 2023	300	3,000	2.08	-	-

(iv) Employee wise details of options granted

For the year ended March 31, 2024			
Particulars	S. No	Name	Number of options granted
a) Key Managerial Personnel;			Nil
Particulars	S. No	Name	Number of options granted
b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year; and			Nil
Particulars	S. No	Name	Number of options granted
c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.			Nil

For the year ended March 31, 2023			
Particulars	S. No	Name	Number of options granted
a) Key Managerial Personnel;	1	Yogendra Singh Kashyap	93,333
	2	Nipun Jain	72,000
	3	Sumit Choudhary	23,333

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Particulars	S. No	Name	Number of options granted
b) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year; and	1	Himanshu Nazkani	1,00,000
	2	Bharat Balachandran	1,50,000
	3	Yogendra Singh Kashyap	93,333
	4	Nipun Jain	72,000
Particulars	S. No	Name	Number of options granted
c) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.		Nil	

(v) Reconciliation of stock options:

Particulars	Number of Options
Outstanding as at March 31, 2022	27,09,637
Stock option issued during the year	11,54,170
Exercised and vested	-
Forfeited/ lapsed	4,16,903
Outstanding as at March 31, 2023	34,46,904
Stock option issued during the year	3,000
Exercised and vested	-
Forfeited/ lapsed	3,62,401
Outstanding as at March 31, 2024	30,87,503
Exercisable at the end of the period	
- March 31, 2024	22,88,719
- March 31, 2023	17,51,092

(vi) The subsidiary Company has recognised share based payment expense of INR 884.44 (March 31, 2023: INR 4,810.32) during the year as proportionate cost.

(vii) The fair value of the options granted is determined on the date of the grant using the "Black-Scholes option pricing model" with the following assumptions, as certified by an independent valuer.

Particulars	March 31, 2024	March 31, 2023
Expected volatility (%)	16.22 to 21.56	20.93 to 27.80
Expected option life (weighted average)	3 Years and 1 year	3 Years and 1 year
Expected dividends yield (%)	-	-
Risk free interest rate (%)	6.81 to 6.87	6.70 to 7.22

Note: The expected volatility was determined based on historical volatility data of the other comparable Company's shares listed on the Stock Exchange.

40 Disclosure Pursuant to Ind AS 116 "Leases"

The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	2,867.43	3,594.93
Additions during the year	225.37	275.98
Deletions during the year	(659.86)	(176.42)
Finance cost accrued during the year	174.49	288.61
Payment of lease liabilities	(1,037.15)	(1,115.67)
Closing balance	1,570.28	2,867.43

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for the year ended March 31, 2024

(Currency: INR In Lakhs)

Maturity analysis of Lease Liabilities (Undiscounted basis)

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than 1 year	724.05	1,096.56
Later than 1 year and not later than 5 years	1,071.50	2,196.97
Later than 5 years	-	66.13
Total	1,795.55	3,359.66

Amount recognised in statement of Profit & Loss account during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Rent expense recognised for short term and low value leases	499.61	410.13
Depreciation on RoU assets	841.01	942.29
Interest expenses on lease liabilities	174.49	288.61

Note:

- The Group does not have variable lease payments (March 31, 2023 - Nil)
- The Group has not subleased right of use asset during the year (March 31, 2023 - Nil)
- The Group does not have any significant restrictions or covenants imposed by leases (March 31, 2023 - Nil)
- The Group does not have any committed undiscounted leases that has not yet commenced as at March 31, 2024 (March 31, 2023 - Nil)

41 Disclosure pursuant to Ind AS 12 'Income Taxes'

(i) Tax Expenses recognised in the Statement of Profit and Loss

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Tax:		
In respect of current year	737.79	539.61
In respect of prior years	-	-
Deferred Tax:		
Deferred tax relating to origination and reversal of temporary differences	34.95	(375.40)
Total Income Tax recognised in profit or loss		
Current tax	737.79	539.61
Deferred tax	34.95	(375.40)
Total	772.74	164.21

(ii) Income Tax recognised in Other comprehensive income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Deferred tax related to items recognised in Other comprehensive income during the year:		
Remeasurement of defined employee benefits	13.78	(14.22)
Total Income tax recognised in Other comprehensive income	13.78	(14.22)

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(iii) Reconciliation of effective tax rate :

The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before Tax	(902.16)	(8,542.79)
Enacted income tax rate (%)	25.17%	25.17%
Income tax expense calculated at applicable income tax rate	(227.06)	(2,150.05)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Expenses that are not deductible for tax purposes	465.18	378.37
Deductions available under income tax	(418.93)	(340.45)
Other Temporary differences	918.60	2,651.74
Income Tax expense recognised in profit and loss	737.79	539.61
Deferred Tax recognised in profit and loss	34.95	(375.40)
Tax recognised in profit and loss	772.74	164.21
Actual effective income tax rate (%)	(85.65%)	(1.92%)

The Group has recognised Deferred Tax Assets arising from deductible temporary differences to the extent there is an evidence of future taxable profit.

(iv) Movement in temporary differences

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Credit / (Charge) in the Statement of Profit and Loss during the year		
Loans and Advances	94.75	72.56
Employee Benefits	27.40	67.08
Depreciation	35.26	146.36
Advances to staff	-	(0.15)
ROU and Lease Liability	325.95	(33.34)
MAT Adjustment	(11.06)	-
Borrowings	33.69	(78.93)
Investments	2.18	(2.18)
On Fair value of DA pool	(245.26)	(85.33)
Carry forward losses	(297.86)	297.84
Lease Modification	-	(8.51)
Total (a)	(34.95)	375.40
Credit / (Charge) in the other comprehensive income during the year		
Provisions - employee benefits expenses (b)	13.78	(14.22)
Total (a)+(b)	(21.17)	361.18

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for the year ended March 31, 2024

(Currency: INR In Lakhs)

42 Maturity Analysis of Assets & Liabilities

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within 12 Months	After 12 months	Total	Within 12 Months	After 12 months	Total
ASSETS						
Financial Assets						
Cash & cash equivalents	23,681.69	-	23,681.69	23,911.07	-	23,911.07
Bank balances other than Cash & cash equivalents	6,544.92	3,684.24	10,229.16	5,377.30	2,240.94	7,618.24
Receivables						
- Trade Receivables	2,029.73	-	2,029.73	1,769.05	-	1,769.05
- Other Receivables	15.52	-	15.52	34.30	-	34.30
Loans	28,009.75	96,114.32	1,24,124.07	31,314.37	92,291.96	1,23,606.33
Investments	-	984.56	984.56	4,427.13	-	4,427.13
Other financial assets	1,745.22	2,508.26	4,253.48	905.77	1,356.56	2,262.33
Non-financial Assets						
Inventories	110.01	-	110.01	56.95	-	56.95
Current tax assets(net)	569.42	16.35	585.77	598.31	616.31	1,214.62
Deferred tax asset (net)	-	1,029.99	1,029.99	-	1,051.15	1,051.15
Property, plant and equipment	-	1,855.39	1,855.39	-	2,198.38	2,198.38
Capital work in progress	-	30.17	30.17	-	15.00	15.00
Intangible Assets Under Development	-	1,001.18	1,001.18	-	3,513.39	3,513.39
Other intangible assets	-	4,390.64	4,390.64	-	1,558.45	1,558.45
Goodwill on consolidation	-	1,807.59	1,807.59	-	1,807.59	1,807.59
Right of use assets	-	1,332.00	1,332.00	-	2,551.98	2,551.98
Other non-financial assets	1,532.45	1,096.75	2,629.20	1,041.91	846.58	1,888.49
Total Assets	64,238.71	1,15,851.44	1,80,090.15	69,436.16	1,10,048.29	1,79,484.45
LIABILITIES						
Financial Liabilities						
Payables						
(i) Trade Payables	1,526.05	-	1,526.05	1,514.19	-	1,514.19
(ii) Other Payables	70.77	-	70.77	-	-	-
Debt Securities	-	-	-	8,053.58	-	8,053.58
Borrowings	34,790.18	53,565.33	88,355.51	28,996.53	52,527.17	81,523.70
Lease liability	605.03	965.25	1,570.28	886.44	1,980.99	2,867.43
Other financial liabilities	19,875.47	-	19,875.47	17,529.81	-	17,529.81
Non-Financial Liabilities						
Current tax liabilities (net)	0.79	-	0.79	-	-	-
Provisions	873.61	504.95	1,378.56	799.15	501.34	1,300.49
Other non-financial liabilities	1,362.70	-	1,362.70	1,066.16	-	1,066.16
Total Liabilities	59,104.60	55,035.53	1,14,140.13	58,845.86	55,009.50	1,13,855.36
Net	5,134.11	60,815.91	65,950.02	10,590.30	55,038.79	65,629.09
Other undrawn commitments (Note)	3,200.00	-	3,200.00	4,000.00	-	4,000.00
Total commitments	2,285.24	-	2,285.24	2,789.52	-	2,789.52

Note: It includes term loan facility which are sanctioned but undrawn/ Inprincipal approval received as at Balance Sheet date.

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(Currency: INR In Lakhs)

43 Financial Risk Management

The respective Board of Directors of the group through its respective committees have overall responsibility for the establishment and oversight of the risk management framework. They oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks.

The risk management policies are established to identify and analyse the risks faced, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Group has exposure to the following risks arising from its business operations:

i) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet an obligation under a contract. Lending activities account for most of the Group's credit risk. Other sources of credit risk also exist in loans and transaction settlements. Credit risk is measured as the amount that could be lost if a customer or counterparty fails to make repayments. The maximum exposure to credit risk in case of all the financial instruments is restricted to their respective carrying amount.

Credit Risk is monitored through stringent credit appraisal, counter party limits and internal risk ranges of the borrowers. Exposure to credit risk is managed through regular analysis of the ability of all the customers and counterparties to meet interest and capital repayment obligations and by changing lending limits where appropriate.

Group primarily offers loans secured by immovable property /housing property. In order to mitigate credit risk, Group also seeks collateral appropriate to the product segment and also ensure that Loan to value ratio is maintained as specified by regulator . Other means of mitigating credit risk that the Group uses are guarantees. The most common types of collateral the Group receives, measured by collateral value, are mortgages on financial assets in the form of Residential/Commercial property/Real estate.

a) Maximum exposure to the Credit risk

This table below shows the Group's maximum exposure to the credit risk.

Particulars	As at March 31, 2024	As at March 31, 2023
Financial Assets at amortised cost - Loans & Advances (Gross)	1,28,374.10	1,28,499.76
Less : Impairment loss allowances	2,543.71	2,242.10
Financial Assets at amortised cost - Loans & Advances (Net)	1,25,830.39	1,26,257.66
Financial Assets measured at FVTPL - Mutual funds	-	4,427.13
Receivables	2,045.25	1,803.35
Total	1,27,875.64	1,32,488.14

Credit risk on Cash and Cash equivalents is considered to be Nil as these are generally held with leading banks.

b) Credit quality analysis

An impairment analysis is performed at each reporting date based on the facts and circumstances existing on that date to identify expected losses on account of time value of money and credit risk. The credit quality of Loans and advances measured at amortised cost is primarily assessed by the Days Past Due (DPD) status and other qualitative factors leading to increase in credit risk

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Inputs, assumptions and techniques used for estimating impairment

In assessing the impairment of financial assets under the expected credit loss model, the Group defines default when a loan obligation is overdue for more than 90 days and credit impaired.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Group considers the DPD status of the loans. Credit risk is deemed to have increased significantly when an asset is more than 30 days past due (DPD) and other qualitative internal or external factors demonstrating credit or liquidity risk.

Calculation of expected credit losses

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

EAD - The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on valuation of collaterals and other relevant factors.

For PD the Company has relied upon the PD data from industry benchmarks and external rating agencies. For Loss Given Default (LGD) the Company has relied on internal and external information.

The following table sets out information about the credit quality of financial assets measured at amortised cost.

Particulars	As at March 31, 2024	As at March 31, 2023
Gross Stage 1 (DPD< 30 days) Performing asset and 12 month ECL	1,18,478.63	1,14,512.83
Less : Impairment loss allowance	1,057.05	680.61
Net Stage 1 Assets	1,17,421.58	1,13,832.22
ECL Prov. Coverage	0.89%	0.59%
Gross Stage 2 (30>DPD< 90 days) Under performing assets increase in credit risk and Lifetime ECL	7,700.41	12,999.17
Less : Impairment loss allowance	352.93	1,075.62
Net Stage 2 Assets	7,347.48	11,923.55
ECL Prov. Coverage	4.58%	8.27%
Gross Stage 3 (DPD>90) Non-performing assets credit impaired and lifetime ECL	2,195.06	987.76
Less : Impairment loss allowance	1,133.73	485.87
Net Stage 3 Assets	1,061.33	501.89
ECL Prov. Coverage	51.65%	49.19%
Total Loans & Adv	1,28,374.10	1,28,499.76
Less : Impairment loss allowance	2,543.71	2,242.10
Net Loans & Advances	1,25,830.39	1,26,257.66
ECL Prov. Coverage	1.98%	1.74%

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Credit impairment charge to the income statement

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
New and increased provisions (incl. write off)	301.60	119.37
Total charge to the income statement	301.60	119.37

Policy for Write off

The gross carrying amount of a financial asset is written-off (either partially or in full) to the extent that there is no reasonable expectation of recovering the asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off and when there is no reasonable expectation of recovery from the collaterals held. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

c) Movement in gross exposures and credit impairment for loans and advances

The Group uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets measured at amortised cost. Group follows a 'three-stage' model for impairment based on changes in credit quality since initial recognition. Please refer to the accounting policy for details.

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance as at April 01, 2022	92,645.02	21,448.92	312.50	1,14,406.44	492.06	1,481.15	152.02	2,125.23
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	1,589.13	(1,589.13)	-	-	(21.56)	21.56	-	-
- Transferred to lifetime ECL -significant increase in credit risk	(5,044.24)	4,799.04	245.20	-	(258.99)	160.70	98.29	-
- Transferred to lifetime ECL credit - impaired	(430.55)	(48.96)	479.51	-	(213.89)	(26.55)	240.44	-
Increase due to financial assets originated	60,139.59	814.33	76.61	61,030.53	840.33	273.88	43.11	1,157.32
Decrease due to loans derecognised on full payment	(34,386.12)	(12,425.03)	(126.06)	(46,937.21)	(157.34)	(835.12)	(47.99)	(1,040.45)
Balance as at March 31, 2023	1,14,512.83	12,999.17	987.76	1,28,499.76	680.61	1,075.62	485.87	2,242.10
Changes due to financial assets recognised in opening balance that have:								
- Transferred to 12 month ECL	2,390.50	(2,254.64)	(135.86)	-	217.03	(216.48)	(0.55)	-
- Transferred to lifetime ECL -significant increase in credit risk	(4,263.28)	4,299.94	(36.66)	-	(163.66)	166.38	(2.72)	-
- Transferred to lifetime ECL credit - impaired	(724.54)	(817.68)	1,542.22	-	(337.62)	(361.19)	698.81	-
Increase due to financial assets originated	51,634.93	1,262.66	54.99	52,952.58	931.86	366.36	125.21	1,423.43

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

Particulars	Movement in Gross Exposure to Loans & Advances				Movement in ECL			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Decrease due to loans derecognised on full payment	(45,071.81)	(7,789.04)	(217.39)	(53,078.24)	(271.17)	(677.76)	(172.89)	(1,121.83)
Balance as at March 31, 2024	1,18,478.63	7,700.41	2,195.06	1,28,374.10	1,057.05	352.93	1,133.73	2,543.71

d) Collateral and other credit enhancements

Group would generally have its credit exposures backed by securities, either primary or collateral. Lending Policy of the Company prescribes Asset cover norms and collateral guidelines for its various product offering. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and product offered.

Group grants loans against collateral of real estate (Land, Under construction projects, Ready property) including commercial and residential properties.

As collateral is a source of mitigating credit risk, assessment of the condition of the securities and their value is undertaken on regular basis. There were no significant changes in the collateral policy of the Group during the Financial Year 2023-2024

e) Credit Concentration

The Group's loan portfolio is primarily concentrated on mortgage loans, as detailed below.

Particulars	As at March 31, 2024	As at March 31, 2023
Mortgage Loans	68.81%	65.97%
Others	31.19%	34.03%

ii) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are selected by delivering cash or other financial assets. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The respective BOD of the group through its respective committees monitors liquidity functions. They review Asset Liability strategy and Balance Sheet management in relation to asset and liability profile. They ensures that the objectives of liquidity management are met by monitoring the gaps in the various time buckets, deciding on the source and mix of liabilities, setting the maturity profile of the incremental assets and liabilities etc.

Key principles adopted in the Group's approach to managing liquidity risk include:

- Monitoring the Group's liquidity position on a regular basis, using a combination of contractual and behavioural modelling of balance sheet and cash flow information.
- Maintaining a high quality liquid asset portfolio.
- Operating a prudent funding strategy which ensures appropriate diversification and limits maturity concentrations.

The Group's principal sources of liquidity are cash and cash equivalents, Overdraft facilities from Banks, liquid asset portfolio like Mutual funds and the cash flow that is generated from operation.

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest accrued till the reporting date.

As at March 31, 2024	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	88,355.51	34,538.04	38,391.27	9,954.47	5,471.72
Trade and Other Payables	1,596.82	1,596.82	-	-	-
Other Financial Liabilities	19,875.47	19,875.47	-	-	-
Lease Liability	1,570.28	637.38	800.49	132.42	-
	1,11,398.08	56,647.71	39,191.76	10,086.89	5,471.72

As at March 31, 2023	Contractual cash flows				
	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
Borrowings (Includes Interest accrued but not due)	81,523.70	28,758.94	39,399.88	10,706.91	2,657.97
Debt securities	8,053.58	8,053.58	-	-	-
Trade and Other Payables	1,514.19	1,514.19	-	-	-
Other Financial Liabilities	17,529.81	17,529.81	-	-	-
Lease Liability	2,867.43	989.57	1,196.87	680.99	-
	1,11,488.71	56,846.09	40,596.75	11,387.90	2,657.97

iii) Market Risk :

Market risk represents the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

iv) Interest rate risk

Group has exposure to interest rate risk, primarily from its lending business and related borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss.

Particulars	% Increase in rate		Increase/(decrease) in profit	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Borrowings that are re-priced	0.25%	0.25%	(223.16)	(206.87)
Loans that are re-priced	0.25%	0.25%	188.83	206.79

Interest rate risk is managed primarily by monitoring the sensitivity of expected net interest income ('NII') under varying interest rate scenarios. This monitoring is undertaken by the respective Board of directors of the group through its respective committees on regular basis. The NII sensitivities shown are indicative and based on simplified scenarios.

v) Foreign Exchange Rate Risk:

The Group entered into foreign currency transactions in the Foreign currency business. The currency risk arising out of foreign currency transactions in the foreign currency business is monitored by a central dealing room, which then hedges the positions transactions entered into at individual locations across the country, through deals in the interbank market, thereby ensuring that they are minimal open positions.

(a) Foreign currency risk exposure

The Group exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at March 31, 2024				As at March 31, 2023			
	EUR	GBP	USD	Others	EUR	GBP	USD	Others
Foreign currencies in hand	28.49	16.24	219.48	340.62	19.00	6.33	290.15	228.45
Net exposure	28.49	16.24	219.48	340.62	19.00	6.33	290.15	228.45

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and from foreign forward exchange contracts.

Particulars	Impact on Profit after tax				Impact on Other components of Equity			
	As at March 31, 2024		As at March 31, 2023		As at March 31, 2024		As at March 31, 2023	
	Strength-ening	Weak-ening	Strength-ening	Weak-ening	Strength-ening	Weak-ening	Strength-ening	Weak-ening
Effect in INR 0.75% movement*								
EUR	0.21	(0.21)	0.14	(0.14)	-	-	-	-
GBP	0.12	(0.12)	0.05	(0.05)	-	-	-	-
USD	1.65	(1.65)	2.18	(2.18)	-	-	-	-
Others	2.55	(2.55)	1.71	(1.71)	-	-	-	-

*Holding all other variables constant

vi) Operational Risk:

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or may lead to financial loss. The Group cannot expect to eliminate all operational risks, but it endeavors to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include maker-checker controls, effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

44 Impairment of Goodwill

The Group tests goodwill for impairment annually on March 31. During the year ended March 31, 2024, the testing did not result in any impairment in the carrying amount of goodwill.

45 Financial Instruments

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial instruments (excluding investment in subsidiaries), including their levels in the fair value hierarchy. The Group has disclosed financial instruments not measured at fair value at carrying values because their carrying amounts are a reasonable approximation of the fair values.

As at March 31, 2024	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Investment	-	984.56	984.56
Cash and cash equivalents	-	23,681.69	23,681.69
Bank balances other than Cash & cash equivalents	-	10,229.16	10,229.16
Trade and other receivables	-	2,045.25	2,045.25
Loans & Advances	-	1,24,124.07	1,24,124.07
Other financial assets	-	4,253.48	4,253.48
Total	-	1,65,318.21	1,65,318.21

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

As at March 31, 2024	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial liabilities			
Trade and other payables	-	1,596.82	1,596.82
Borrowings	-	88,355.51	88,355.51
Lease Liability	-	1,570.28	1,570.28
Other financial liabilities	-	19,875.47	19,875.47
Total	-	1,11,398.08	1,11,398.08

As at March 31, 2023	Carrying Amount		
	FVTPL	Amortised Cost	Total
Financial Assets			
Investment in Mutual fund Units	4,427.13	-	4,427.13
Cash and cash equivalents	-	23,911.07	23,911.07
Bank balances other than Cash & cash equivalents	-	7,618.24	7,618.24
Trade and Other receivables	-	1,803.35	1,803.35
Loans & advances	-	1,23,606.33	1,23,606.33
Others financial assets	-	2,262.33	2,262.33
Total	4,427.13	1,59,201.32	1,63,628.45
Financial liabilities			
Trade and other payables	-	1,514.19	1,514.19
Debt Securities	-	8,053.58	8,053.58
Borrowings	-	81,523.70	81,523.70
Lease liabilities	-	2,867.43	2,867.43
Other financial liabilities	-	17,529.81	17,529.81
Total	-	1,11,488.71	1,11,488.71

Ind AS 107, 'Financial Instruments - Disclosure' requires classification of the valuation method of financial instruments measured at fair value in the Balance Sheet using a three-level fair value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value- hierarchy under Ind AS 107 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and place limited reliance on the entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value hierarchy of financial instruments classified in FVTPL category:-

Particulars	Fair Value as at March 31, 2024			Carrying Value as at March 31, 2024	Fair Value as at March 31, 2023			Carrying Value as at March 31, 2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
Financial Assets								
Investment in Mutual fund Units	-	-	-	-	-	4,427.13	-	4,427.13
Total	-	-	-	-	-	4,427.13	-	4,427.13

Notes to Consolidated Ind AS Financial Statements

for the year ended March 31, 2024

(Currency: INR In Lakhs)

46 Capital Management

The objective of the Group's Capital Management is to maximise shareholder value, safeguard business continuity and support the growth and continue as going concern. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through loans and operating cash flows generated.

For the purpose of the Group's capital management capital includes issued capital and equity reserves. The primary objective of the Group's capital management is to ensure that the group complies with RBI prescribed Capital adequacy requirements and maintains adequate capital to support its business and maximise shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Capital to Risk Weighted Asset Ratio (CRAR) of Group Company:

Items	As at March 31, 2024	As at March 31, 2023
i. CRAR (%)	39.61%	39.15%
ii. CRAR - Tier I capital (%)	38.88%	38.09%
iii. CRAR - Tier II capital (%)	0.73%	1.06%
iv. Leverage coverage ratio*	225.51%	1069.86%
v. Debt Equity ratio	1.42	1.48

* Leverage coverage ratio is calculated for Capital India Finance Limited (CIFL)

As per RBI Prudential norms, the minimum CRAR requirement for NBFCs is 15% and the Holding company and major subsidiaries has maintained CRAR well above the regulatory norms throughout the year.

Regulatory capital-related information is presented as part of the RBI mandated disclosures. The RBI norms require capital to be maintained at prescribed levels. In accordance with such norms, Tier I capital of the Holding company comprises of share capital, share premium, reserves, Tier II capital comprises of provision on loans that are not credit-impaired, as per RBI Notification dated 31 March 2020 provision created under stage 1 is eligible for Tier II capital. There were no changes in the capital management process during the years presented.

47 Additional Disclosure

- i) There have been no events after the balance sheet date that require disclosure in these consolidated financial statements.
- ii) No funds have been received by the Companies within group from any person(s) or entity(is), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Companies within group shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iv) The group has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- v) The group has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act,1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme and also shall state whether the previously unrecorded income and related assets have been properly recorded in the books of account during the year.

CAPITAL INDIA FINANCE LIMITED

CIN: L74899DL1994PLC128577

(Incorporated under the Companies Act, 1956)

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